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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
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December 30, 1991

TO: Finance Committee

FROM: Budget Analyst - Recommendations

SUBJECT: January 2, 1992 Recessed Meeting of the Finance Committee

Item 1 - File 64-91-34

Note: This item was recessed from the Finance Committee meeting of December 18, 1991.

Departments:	Department of Real Estate Department of Social Services (DSS)
Item:	Resolution authorizing a new sublease and cancelling an existing lease
Location:	1235 Mission Street (Delta Dental Building)
Purpose of Lease:	Rental of office space
Sublessor:	San Francisco Unified School District (SFUSD)
No. of Sq. Ft. and Cost per Month:	A maximum of 117,826 square feet @ $1.67/sq. ft./month = $196,283
Annual Cost:	$2,355,396
% Increase Over 1991-92:	This sublease is new.
Utilities and Janitor Services:	Janitorial and scavenger services would be provided by 1235 Mission Corporation, the lessor to SFUSD. The City will pay for utilities.

Term of Lease: August 1, 1992 through March 31, 2003

Source of Funds: 25% General Fund Budget
(anticipated to be provided in the 1992-93 budget)
50% Federal Government
25% State Government

Description: In December of 1990, the Board of Supervisors approved a lease of the Delta Dental Building at 1235 Mission for use by the Department of Social Services (File 64-90-44). The lease would result in the following reorganization of DSS:

(1) existing General Assistance, Food Stamps, and Homeless Program staff, totaling 307 employees, would move from offices located at 1440 Harrison Street and one floor of 150 Otis Street to the new office space at 1235 Mission Street;

(2) the Family and Childrens Services Division and Foster Care staff (a total of 308 staff), located at 1625 Van Ness and at 170 Otis Street would move to the 1440 Harrison Street building;

(3) the MediCal Program, which occupies all of the 150 Otis Street building except for one floor; would occupy all of that building.

According to Ms. Judy Schutzman of DSS, this would alleviate overcrowding at 150 and 170 Otis, and allow DSS to terminate its lease at 1625 Van Ness.

The Delta Dental Building is divided into four floors and a basement and totals 117,826 square feet. DSS proposes to allocate the new building space as follows:

Office Space	65,086 sq. ft.
Public Service Area	30,740 sq. ft.
File storage and computer center	22,000 sq. ft.
Total	117,826 sq. ft.

The facilities at 1440 Harrison Street and the single floor of 150 Otis Street to be vacated total 57,200 square feet, which provided the 307 employees with an average of 187 square feet per person. The maximum amount of office space per employee at 1235 Mission would be 212.

According to Ms. Judy Schutzman of DSS, the current public service area at the 1440 Harrison Street building is 4,000 square feet in size, with a waiting capacity of 135 persons.

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This space is insufficient to serve DSS clients, since as many as 450 persons may be waiting for assistance at one time. Presently, the overflow of recipients stand in line outside along the street to wait for assistance. Ms Schutzman reports that fights often occur while the recipients wait in line.

The public service area in the proposed 1235 Mission Street building would consist of the following: (1) 100 cubicles for interviewing General Assistance, Food Stamps, and Homeless Program clients; (2) a waiting area for up to 450 clients to receive their assistance checks or vouchers; and (3) an area for distributing the checks and vouchers.

The basement area would be used for storage of client case files and for locating the Department's computer data center.

Comments: 1. As noted above, the Board of Supervisors, at its December 14, 1990 meeting, approved the lease at 1235 Mission Street between the City and MD Associates, the current owner of the Delta Dental Building (File 64-90-44). One of the conditions of that lease is that certain renovations be completed before August 1, 1992. These renovations must begin by early February to be completed by August 1, 1992, Mr. Jerry Romani of the Department of Real Estate advises. Mr. Romani further advises that MD Associates was unable to finance the required renovations because of the current difficult commercial financing market. Because MD Associates has so far been unable to finance the necessary renovations, the approved lease has not commenced. If the proposed resolution is approved, it will cancel the lease between MD Associates and the City.

2. 1235 Mission Corporation, an Illinois corporation, has agreed to purchase the Delta Dental Building from MD Associates provided that San Francisco Unified School District (SFUSD) agrees to lease the property from 1235 Mission Corporation, and the City agrees to sublease the property from SFUSD. In order to maximize the funds raised from investors to finance the necessary renovations, 1235 Mission Corporation must be using the funds for property lease-purchased by a tax-exempt entity. Therefore, 1235 Mission Corporation originally proposed that the City enter into a lease-purchase agreement whereby the City would own 1235 Mission after 20 years.

However, Mr. Romani advises that it would be to the City's disadvantage to enter into a lease-purchase agreement with 1235 Mission Corporation. This is because the Department of Social Services receives a 75 percent State and Federal

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subvention for lease agreements. Because the State Department of Social Services does not support the purchase of real property for local governments, the State and Federal subvention would equal only two percent of the improvement value per year of the property (that is, the property value less the value of the land) if the City were to enter into a lease-purchase agreement.

Because of the smaller State and Federal subventions to the City, if the City were to enter into a lease-purchase agreement, the immediate demand for General Fund money would be higher than if the City subleases the property. Mr. Romani estimates that the improvement value of the Delta Dental building is $9 million, which would result in a $180,000 annual subvention from the State if the City were to purchase the property. Mr. Romani further estimates that, for a 20-year purchase agreement, the mortgage, taxes, insurance, maintenance, and repair for the building would cost approximately $1.56 million per year, resulting in a net cost to the City of $1.38 million per year. The proposed sublease, at an annual cost of $2,355,396, would be supported in the amount of $1,766,547 by State and Federal contributions, with the General Fund obligation equalling $588,849 annually.

3. The total cost to the City of entering into an agreement to purchase the property would be $31,200,000, or $1.56 million per year for 20 years. To lease the same property, based on the current annual cost to the City of $588,849, it would take 53 years to exceed the cost of purchasing the property over 20 years. This assumes that State and Federal subventions would remain at 75 percent, although cuts to the State Department of Social Services budget have been recently proposed.

4. According to Mr. Romani, the only option available to finance the renovations at the Delta Dental Building is the sale of Certificates of Participation (COPs). COPs are proportionate interests in the lease-purchase of the property, which are sold to investors. The investors would receive a return on their investment through the lease payments made by SFUSD through City sublease payments. 1235 Mission Corporation and SFUSD would assign its rights to receive lease, purchase and sublease payments on the property to a trustee, which would issue the Certificates of Participation. At the end of the 20-year-term, 1235 Mission Corporation would transfer fee title to the property back to SFUSD.

Mr. Romani advises that SFUSD has agreed to lease-purchase the property, since it would bear no financial obligation or any other liability. At the end of 20 years, SFUSD would own the Delta Dental Building through the lease payments made by the City. The City has no agreement with SFUSD whereby SFUSD would compensate the City for the purchase of the Delta Dental Building.

5. Although the City is a tax-exempt organization and thus may issue COPs, if the City lease-purchases rather than leases or subleases the property, the City would lose significant support from State and Federal subventions, as noted above. SFUSD, which is also a tax-exempt entity, is under no such State and Federal restrictions. Therefore, the lease would be between 1235 Mission Corporation and SFUSD, and the City would sublease the property from SFUSD.

6. According to Mr. Romani, excluding events outside of the 1235 Mission Corporation's control, such as acts of God, labor disputes, or government restrictions, except financing delays, the required improvements must commence by February 1, 1992, or the sublease would be cancelled. In addition, improvements must be substantially completed, so that the City can occupy the premises, by August 1, 1992, or the sublease would be cancelled.

7. The lease term and the rental rate of the proposed sublease with SFUSD are the same as those contained in the previous lease with MD Associates. Thus, the annual cost under the proposed lease would be the same as under the previous lease, as approved by the Board of Supervisors. As noted above, the lease between the City and MD Associates would be cancelled upon approval of the proposed sublease.

8. DSS would occupy a maximum of 105,000 square feet of the 117,826 square feet at 1235 Mission Street, at a maximum monthly rental rate of $174,912. (Mr. Romani notes that, initially, DSS plans to occupy 99,411 square feet, at a cost of $166,016 per month.) According to the lease, as renovations are completed, the remaining 12,826 square feet of space would be occupied no later than 30 months after the commencement of the lease in August of 1992. An amendment to the lease has been introduced whereby DSS may occupy the space as early as July 1, 1992 if the building is ready for occupancy. For Fiscal Year 1992-93, based on the maximum 105,000 square feet initially occupied, the proposed new lease would cost a maximum of $2,098,944 for the twelve months beginning July 1, 1992.

9. DSS currently pays $20,003 per month for the interim lease of office space at 1625 Van Ness, which DSS anticipates to terminate by September 1, 1992.

10. The City would have paid $1,749,125 for the Mission Street facility (ten months times 174,912 per month) and saved $180,027 for the 1625 Van Ness facility (nine months times $20,030) from September 1, 1991 through the end of the current fiscal year if it had commenced as planned. Of the $1,569,098 saved by not occupying 1235 Mission ($1,749,125 less $180,027), 25 percent, or $392,275, would have come from the City's General Fund. Therefore, $392,275 budgeted for DSS rent from the General Fund in 1991-92 will be unspent at the end of the fiscal year. Ms. Schutzman advises that DSS is actively looking for temporary space for the Food Stamp Program, and that part of these unspent funds would support that temporary space. Any unspent money would return to the City's General Fund, Ms. Schutzman reports.

11. Once the building is fully occupied, the lease of the Delta Dental Building at 1235 Mission Street would cost $2,355,396 per year. However, because the Department would no longer need to pay for the rental of space at 1625 Van Ness at an annual cost of $240,036, the net rental cost to DSS would be $2,115,360. Of the total annual net rental cost of $2,115,360, 75 percent, or $1,586,520, and 25 percent, or $528,840, would be paid from the City's General Fund cost.

12. According to the proposed sublease, in addition to the proposed rental cost, DSS could be responsible for a share of the building renovations at 1235 Mission Street not to exceed $100,000. These costs would consist of installation of better quality carpeting in the staff office space which would be designed to withstand constant use over the ten year duration of the lease. DSS's 1991-92 budget includes funds for the City's share of the renovations. The landlord-borne alterations consist of architecture and engineering design fees, renovations including paint, new dry wall, lighting, electrical, installation of handicapped-accessible bathrooms, and a contingency. Such renovations are estimated to cost approximately $3.6 million, paid for by 1235 Mission Corporation, and would be performed by the Barker Patrinely Group (BPG), a Delaware Corporation, per an agreement between 1235 Mission Corporation and BPG.

13. The Real Estate Department advises that the rental rate of $19.99 per square foot per year was the fair market rate at the time the original lease with MD Associates was considered.

Since that time, commercial rates have gone down, Mr. Romani advises. Mr. Tony DeLucchi of the Real Estate Department advises that the fair market value of commercial property is currently $17 to $19 per square foot per year. The total annual cost of 117,826 square feet per year, at $17, $19, and $19.99 (the amount of the proposed lease) is as follows:

Cost Per Sq. Ft.	Annual Cost for 117,826 s.f.	Difference from Proposed Sublease	Difference in Annual General Fund Contribution
$19.99	$2,355,396	n/a	n/a
$19.00	$2,238,694	($116,702)	($29,176)
$17.00	$2,003,042	($352,354)	($88,089)

Thus, if the City were to lease another property at the current fair market commercial property value, the savings to the General Fund, at 25 percent, would be $29,176 to $88,089 less per year, or $291,760 to $880,890 over the ten-year lease term. Mr. DeLucchi advises that 1235 Mission Corporation is unwilling to negotiate a lower rental rate to reflect the current fair market value. However, the City has no grounds to terminate the current lease unless MD Associates does not complete construction and deliver the property for occupancy by August 1, 1992, Mr. Romani reports.

Because MD Associates has not been able to finance the proposed construction except through the sale of COPs, if the Board of Supervisors denies the proposed new lease, MD Associates would be unable to commence construction by February 1, 1992. Mr. Romani advises that if construction has not begun by early February, the Real Estate Department could challenge the lease on the grounds that the property could not be delivered by August 1, 1992, since the construction would take at least six months to be completed.

14. According to Ms. Julia Lopez of the Department of Social Services, DSS has investigated several sites as alternatives to the Delta Dental Building (please see the Budget Analyst's report of December 17, 1991, to the City Services Committee, Item 1, File 107-91-6, attached). According to Ms. Lopez, a site at 651 Brannan is an available, less expensive, and appropriate alternative to the Delta Dental Building. Six months ago, DSS was offered the space at 651 Brannan Street for $16.97 per square foot per year, as compared to $19.99 per square foot per year for the Delta Dental Building, a difference of $3.02, or 15 percent.

15. The Budget Analyst has made inquiries as to the possibility of receiving some compensation from SFUSD after 20 years if the City continues to sublease and the Delta Dental Building title is transferred to SFUSD. Mr. DeLucchi advises that any such compensation, such as reduced rent or a gift of property, could jeopardize the City's State and Federal subventions. In order to receive such subventions, the City may not benefit except through reduced rent payments, Mr. DeLucchi advises. Mr. Julian Hultgren of the City Attorney's Office concurs with this assessment.

16. The Real Estate Department advises that MD Associates, the current owner, 1235 Mission Corporation, the proposed new owner, and the Barker Patrinely Group, the contractor to perform the approximately $3.6 million of renovations to the building, are owned by the same small group of individuals.

17. In summary, the current owner of 1235 Mission Street has not been able to secure financing for the construction and as a result has not undertaken any of the renovations, as specified in the existing lease, which would enable DSS to move into the building. If the Board of Supervisors approves the proposed lease, after 20 years, SFUSD would own the Delta Dental Building at no cost to itself and with no benefit, outside of retaining State and Federal subventions, to the City. If the Board of Supervisors denies the proposed lease, the current owner would be unable to meet the terms of that lease, and the lease could be challenged and terminated on February 1, 1992. Since the current lease was approved, commercial rates have decreased, but the proposed lease does not reflect those lower commercial rental rates. An alternative and available site at 651 Brannan has been identified by DSS, which would cost 15 percent less per square foot than the Delta Dental Building.

Recommendation: Approval of the proposed lease is a policy matter for the Board of Supervisors.

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
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December 13, 1991

TO: City Services Committee

FROM: Budget Analyst

SUBJECT: December 17, 1991 Meeting of the City Services Committee

Item 1 - File 107-91-6

Item: Hearing to consider the status of the Department of Social Services' (DSS) search for alternative housing for their General Assistance Program, and on alternatives to the Delta Dental Building.

1. In December of 1990, the Board of Supervisors approved a DSS proposal to move existing General Assistance, Food Stamps, and Homeless Program staff, totalling 307 employees, from offices located at 1440 Harrison Street and 150 Otis Street to new office space located at 1235 Mission Street, known as the Delta Dental Building (File 64-90-44). The Delta Dental Building is divided into four floors and a basement and totals 117,826 square feet. DSS proposes to allocate the new building space as follows:

Office Space	65,086 sq. ft.
Public Service Area	30,740 sq. ft.
File storage and computer center	22,000 sq. ft.
Total	117,826 sq. ft.

2. The facilities at 1440 Harrison Street and the single floor of 150 Otis Street to be vacated total 57,200 square feet, which provided the 307 employees with an average of 187 square feet per person. The maximum amount of office space per employee at 1235 Mission would be 212.

According to Ms. Judy Schutzman of DSS, the current public service area at the 1440 Harrison Street building is 4,000 square feet in size, with a waiting capacity of 135 persons. This space is insufficient to serve DSS clients, since as many as 450 persons may be waiting for assistance at one time. Presently, the overflow of recipients stand in line outside along the street to wait for assistance. Ms Schutzman reports that fights often occur while the recipients wait in line.

3. The public service area in the proposed 1235 Mission Street building would consist of the following: (1) 100 cubicles for interviewing General Assistance, Food Stamps, and Homeless Program clients; (2) a waiting area for 450 clients to receive their assistance checks or vouchers; and (3) an area for distributing the checks and vouchers. The basement area would be used for storage of client case files and for locating the Department's computer data center. Ms. Julia Lopez of the Department of Social Services estimates that the specific space needs for the Department are as follows:

DSS Space Needs

Waiting Room (including reception counters and check distribution; must accommodate up to 500)	20,000	sq.ft.
Interview Booths (100 booths @ 45 sq. ft.)	4,500	
Offices (8 management @ 150 sq.ft.; 25 supervisory @ 100 sq.ft.)	3,700	
Conference and Training	10,000	
Staff Open Work Space (320 staff @ 80 sq.ft. each)	25,600	
Records Storage	10,000	
Administrative (including Central Index, accounting staff, supplies, mail, form storage, telephone operators, security, staff rest area)	16,200	
Data Center	5,000	
Relocation of a division from 150 or 170 Otis to relieve overcrowding at those locations if necessary	20,000	
Total Estimated Maximum Space Needs	115,000	sq.ft.

4. As noted above, the Board of Supervisors, at its December 14, 1990 meeting, approved the lease at 1235 Mission Street between the City and MD Associates, the current owner of the building (File 64-90-44). One of the conditions of that lease was that certain renovations be completed before September 1, 1991. Such renovations consist of architecture and engineering design fees, alterations including paint, new dry wall, lighting, electrical, installation of handicapped-accessible bathrooms, and a contingency. Such renovations are estimated to cost

approximately $3.6 million and to be paid for by 1235 Mission Corporation, the owner of the property, and would be performed by the Barker Patrinely Group (BPG), a Delaware Corporation, per an agreement between 1235 Mission Corporation and BPG. Mr. Jerry Romani of the Department of Real Estate advises that MD Associates was unable to finance the required renovations because of the current difficult commercial financing market. Because MD Associates was unable to finance the necessary renovations, the approved lease never commenced.

5. The Real Estate Department reports that MD Associates, the current lessor, has proposed alternative financing from a lender who would fund the project through the sale of Certificates of Participation. For more information regarding the restructuring of the current lease and the landlord's reasons for proposing the lease be restructured, please refer to the attached Budget Analyst's report of December 18, 1991 to the Finance Committee.

6. A resolution to terminate the existing lease between MD Associates and the City and to approve a sublease between the San Francisco Unified School District and the City for the building at 1235 Mission Street will be heard by the Finance Committee at its December 18, 1991 meeting (for information regarding the proposed sublease with SFUSD, refer to the attached Budget Analyst's report to the Finance Committee). Under the proposed new sublease, SFUSD would lease 1235 Mission from 1235 Mission Corporation, the future owner of the building, and sublease the building to the City. The terms of the proposed sublease between SFUSD and the City would be the same as the terms of the current lease between MD Associates and the City, and the cost to the City would be the same as under the current lease. If the proposed sublease is approved, the current lease would be cancelled.

7. According to Mr. Romani, excluding events outside of the 1235 Mission Corporation's control, such as acts of God, labor disputes, or government restrictions, except financing delays, the required improvements must commence by February 1, 1992, or the sublease would be cancelled. In addition, improvements must be substantially completed, so that the City may occupy the premises, before August 1, 1992, or the sublease would be cancelled.

8. According to the Real Estate Department, under the current lease, the landlord was required to provide the City with a complete set of working drawings within 40 days after the execution of the lease, on April 5, 1991. These drawings were provided, but they lacked the necessary detail for issuance of a building permit, the Real Estate Department advises.

9. According to Mr. Julian Hultgren of the City Attorney's Office, under the current lease, if construction has not begun within ten days of the issuance of a permit, and if construction has not been substantially completed within 120 days after the start of construction, barring force majeur (forces beyond the tenant's or the landlord's control, such as acts of God or new government regulations) or tenant delays, the City would have legitimate grounds to terminate the lease. No permit has been issued to date, Mr. Romani advises.

Also, Mr. Hultgren advises, under the current lease, if construction cannot be completed and the property delivered for possession to the tenant by August 1, 1992, barring force majeur or tenant delays, the City would have legitimate grounds to terminate the lease. Except for these contingencies, the City does not have legitimate grounds to terminate the lease.

Because none of the above deadlines have passed, Mr. Hultgren advises that the City currently does not have legitimate grounds to terminate the lease at 1235 for the Delta Dental Building at 1235 Mission Street.

10. According to Ms. Lopez, DSS has investigated several sites as alternatives to the Delta Dental Building. These sites include 301 Toland, Howard and Fremont, 215 Fremont, 79 New Montgomery, and 651 Brannan. 301 Toland requires significant repairs, which the landlord is unwilling to make, and is not zoned for office use, Ms. Lopez advises. Ms. Lopez further advises that Howard and Fremont and 215 Fremont would require significant repairs and would not be ready for occupancy for 12 months to two years. The site at 79 New Montgomery, though it could be ready for occupancy in six months, is located near the Sheraton Palace Hotel, and land use questions might delay occupancy, Ms. Lopez reports. According to Ms. Lopez, the site at 651 Brannan is the only available and appropriate alternative to the Delta Dental Building.

11. The Real Estate Department advises 1235 Mission Street compares to 651 Brannan Street as follows: (1) both sites would have terms of 10 years, 8 months; (2) alterations for both sites would be approximately the same; (3) both sites would be ready for occupancy at approximately the same time; (4) 1235 Mission Street has better mass transit accessibility, although 651 Brannan has acceptable mass transit accessibility; and (5) the space at 1235 Mission Street is 117,826 square feet, while the building at 651 Brannan is up to 132,000 square feet. The Department of Social Services advises that 117,826 is adequate to meet its space needs, as noted above.

12. According to the Real Estate Department, the proposed lease at 1235 Mission Street would be $19.99 per square foot per year ($1.67 per month), for a total annual cost for 117,826 square feet of $2,355,396, while the space at 651 Brannan Street, based on an offer made six months ago, would be $16.97 per square foot per year, for a total annual cost of up to $2,240,040 for 132,000 square feet, or $1,999,507 for 117,826 square feet. Thus, the space at 651 Brannan Street, at $16.97 per year, is $3.02, or 15 percent, less per square foot per year than the space at 1235 Mission, at $19.99 per square foot per year. The Real Estate Department advises that $16.97 is a fair market value for commercial property.

Item 2 - File 100-91-1.12

Note: This item was recessed from the Finance Committee meeting of December 18, 1991.

Department: Recreation and Park Department

Item: Requesting release of reserved funds

Amount:	$ 16,478	Payroll Clerk for six months
	305,000	Operating scoreboard at Candlestick Park during 1991 baseball and football seasons and to make one-time animation enhancements to the scoreboard operation
	$ 321,478	Total

Description: During the FY 1991-92 budget deliberations, the Finance Committee placed six items on reserve in the Recreation and Park Department's budget. At the December 18, 1991 Finance Committee meeting, the Finance Committee approved release of two items on reserve. At this time, the Recreation and Park Department is requesting the release of reserved funds for an additional two items on reserve.

The Department is requesting the release of $16,478 for six months funding for one Payroll Clerk position. These funds were placed on reserve pending a report back to the Finance Committee on the recently installed payroll system. The Recreation and Park Department indicates that based on the first three months of this fiscal year, although savings were realized in the Controller's budget, no additional staff savings have been realized in the Recreation and Park Department as a result of the new payroll automation. According to the Department, if this reserve is not released, it would result in a 25 percent reduction (one FTE) in their payroll staff and may jeopardize the Department's ability to meet their payroll obligations. This Payroll Clerk position is funded through the General Fund.

In addition, the Department is requesting the release of $305,000 which was budgeted to pay the Giants for operating the scoreboard at Candlestick Park and to make one-time animation enhancements to the scoreboard operation. These funds were placed on reserve pending a decision by the Board of Supervisors on the Giants lease at Candlestick Park. The Department reports that the Controller's Office completed an audit of the scoreboard operations in July, 1991, which showed that the Giants scoreboard operating costs included in the Recreation and Park Department's budget were reasonable and the Giants lease amendment was approved by the Board of Supervisors on September 16, 1991. These funds to pay the Giants for operating the scoreboard at Candlestick Park are paid through the Candlestick Park Fund.

Comments:

1. According to Mr Phil Arnold of the Recreation and Park Department, the recently installed payroll system did not result in any significant productivity improvements in the Recreation and Park Department, although such improvements did occur in the Controller's Office, resulting in reductions in the Controller's Office's staff. The Recreation and Park Department currently has four Payroll Clerks and one Supervising Payroll Clerk, for a total of five payroll positions, for a payroll of approximately 1,000 employees. According to Ms. Sandra Holmes of the Controller's Office, the Fire Department has approximately 1,600 employees, with a total of five payroll positions, a ratio of one payroll position for each 320 employees. The Airport has approximately 1,000 employees and a total of four payroll positions, for a ratio of one payroll position for each 250 employees and the Controller's Office has approximately 450 employees and only one payroll clerk position. Ms. Holmes projects that based on individual department's payroll requirements, one payroll position for each 400-500 employees should be required. Based on the Recreation and Park Department's current staffing, there is approximately one payroll position for each 200 employees. Based on this review, the Budget Analyst does not recommend releasing the requested $16,478 of funds for the last six months of fiscal year 1991-92 for one Payroll Clerk financed with General Fund monies. Because this would result in the elimination of an existing position, a layoff would be involved, but there are possible bumping rights. The Department has requested that the release of these $16,478 of reserved funds be continued, pending further study by the Department.

2. Concerning the requested release of the $305,000 for the Giants to operate the scoreboard at Candlestick Park, it should be noted that although the overall Giants lease agreement was approved by the Board of Supervisors in September, 1991, to date, the Recreation and Park Department has not entered into a written agreement with either the Giants or the Forty Niners regarding the selling of video advertising at Candlestick Park. This issue was initially brought to the attention of the Board of Supervisors in August, 1991, when it was revealed that both the Giants and the Forty Niners were selling video advertising without any written authority from the City, and as a result, none of the advertising revenues from this video advertising was paid to the City. At that time, the Recreation and Park

Department indicated that both the Giants and the Forty Niners agreed in principle with the need for a written contract. However, as previously noted, to date, no written contract has been approved by the Recreation and Park Commission or the two teams. As a result, the Finance Committee recently continued an ordinance (File 65-91-3.1) by the Recreation and Park Department requesting an amendment to the Sony agreement concerning the scoreboard and other related services at Candlestick Park, pending submission of such a written agreement to the Board of Supervisors.

3. On December 18, 1991, the Budget Analyst was given a draft copy of the proposed contract between the City and the Giants and the Forty Niners. The Budget Analyst is currently reviewing this draft contract regarding video advertising at Candlestick,

4. Mr. Arnold requests that this item be continued until the Finance Committee meeting of January 15, 1992.

Recommendation: Continue the requested release of reserved funds until January 15, 1992, as requested by the Department.

Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

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CALENDAR - ACTIONS TAKEN

RESCHEDULED MEETING OF

FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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FRIDAY, JANUARY 10, 1992 - 9:30 A.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN
ABSENT: SUPERVISOR SHELLEY - ITEMS 7-15

CLERK: BARBARA STAVRO-TAYLOR

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

   NOTE: CONSENT CALENDAR WITHDRAWN. ALL MATTERS CONSIDERED AS REGULAR CALENDAR ITEMS.

   a. File 38-91-22. [Acceptance of Gift] Resolution accepting a gift to the San Francisco Public Library of up to $1,500,000 from the Library Foundation, for lease/purchase of library automation system. (Public Library)
   (Consideration continued from 12/18/91)

   ACTION: RECOMMENDED.

   b. File 64-91-35. [Lease of Property] Resolution authorizing lease of real property at 270 East Grand Avenue, South San Francisco for the Fine Arts Museum. (Real Estate Department)

   ACTION: RECOMMENDED. TO BOARD AS COMMITTEE REPORT JANUARY 13, 1992.

c. File 94-91-6. [Grant – State Funds] Resolution authorizing the Public Utilities Commission to apply for, accept and expend $194,534 from 1991-92 State Transit Capital Improvement Funds and $194,534 from local match funds to provide financing for two Municipal Railway Guideway Projects. (Public Utilities Commission)
(Consideration continued from 12/18/91)

ACTION: AMENDMENT OF THE WHOLE ADOPTED, "Authorizing the Public Utilities Commission to apply for and accept retroactively, nd expend $194,534 from 1991-92 State Transit Capital Improvement Funds and $194,534 from local match funds to provide financing including $35,468 of estimated indirect costs for two Municipal Guideway Projects, placing $149,000 on reserve." RECOMMENDED AS AMENDED.

d. File 94-91-7. [Grant – State Funds] Resolution authorizing the Public Utilities Commission to apply for, accept and expend $16,605,946 from 1991-92 State Transit Capital Improvement Funds and $16,605,946 from local match funds to provide financing for five Municipal Railway Guideway Projects. (Public Utilities Commission)
(Consideration continued from 12/18/91)

ACTION: AMENDMENT OF THE WHOLE ADOPTED. "Authorizing the Public Utilities Commission to apply for and accept retroactively, and expend $14,680,946 from 1991-92 State Transit Capital Improvement Funds and $14,680,946 from local match funds to provide financing including $1,327,400 of estimated indirect costs for four Municipal Railway Guideway Projects, placing $6,510,466 on reserve." RECOMMENDED AS AMENDED.

e. File 94-91-9. [Grant – Federal Funds] Resolution authorizing the Public Utilities Commission to apply for, accept and expend $50,000,000 of Federal Capital Assistance including the required local contribution from the State Transit Capital Improvement Program and/or Proposition 108 Urban Rail Bonds and/or Clean Air and Transportation Improvement Act of 1990 Funds and/or State Transit Assistance Funds and/or AB 664 Bridge Toll Revenues and/or Regional Measure One Toll Revenues and/or Transit Impact Development Fee, San Francisco Municipal Railway Improvement Corporation Funds, and/or Transportation Sales Tax Revenues to provide financing for construction of the Muni Metro Turnback. (Public Utilities Commission)
(Consideration continued from 12/18/91)

ACTION: AMENDMENT OF THE WHOLE ADOPTED. "Authorizing the Public Utilities Commission to apply for and accept retroactively, an expend $50,000,000 of Federal Capital Assistance including the required local contribution from the State Transit Capital Improvement Program and/or Proposition 108 Urban Rail Bonds and/or Clean Air and Transportation Improvement Act of 1990 funds and/or State Transit Assistance funds and/or AB 664 Bridge Toll Revenues and/or Regional Measure One Bridge Toll Revenues and/or Transit Impact Development Fee and/or San Francisco Municipal Railway Improvement Corportion Funds and/or Transportation Sales Tax Revenues to provide financing for construction and $1,200,000 in estimated indirect costs of the Muni Metro Turnback, placing $35,100,000 on reserve." RECOMMENDED AS AMENDED.

f. File 94-91-10. [Grant – State Funds] Resolution authorizing the Public Utilities Commission to apply for, accept and expend $20,500,000 from 1990-91 Urban Rail Bond Funding for San Francisco Municipal Railway Projects and $20,500,000 from local match funds such as Transportation Sales Tax Revenue and/or Bay Area Rapid Transit District Extension Capital Reserve Funds to provide financing for four Municipal Railway Projects. (Public Utilities Commission)

(Consideration continued from 12/18/91)

ACTION: AMENDMENT OF THE WHOLE ADOPTED. "Authorizing the Public Utilities Commission to apply for, accept, and expend $20,500,000 from 1990-91 Urban Rail Bond Funding for San Francisco Municipal Railway Projects and $20,500,000 from local match funds such as Transportation Sales Tax Revenue and/or Bay Area Rapid Transit District Extension Capital Reserve to provide financing and $1,530,000 of estimated indirect costs for four Municipal Railway Projects, placing $6,060,000 on reserve." RECOMMENDED AS AMENDED.

g. File 146-91-84. [Grant – State Funds] Resolution authorizing the Department of Public Health, Bureau of Health Promotion and Education, to apply for accept and expend a grant allocation of $1,063,009, which will include indirect costs equal to fifteen percent of personnel costs, from the State Department of Health Services for the continuation of the Comprehensive Tobacco Control Plan funded by AB99 and to authorize amendments to the contract with the State regarding use of these funds. (Department of Public Health)

ACTION: CONTINUED TO RECESSED MEETING JANUARY 15, 1992.

h. File 30-91-23. Resolution authorizing adoption of the County Health Services Plan and budget for 1991-92 and that the Director of Health and any other appropriate officers and employees of the City and County of San Francisco can certify the county health services plan and budget of San Francisco. (Department of Public Health)

ACTION: RECOMMENDED. TO BOARD AS COMMITTEE REPORT JANUARY 13, 1992.

i. File 148-91-1.1. [Grant – State Funds] Resolution authorizing the Director of Public Works to expend up to $1,641,494, from the State of California for roadway work on City streets in accordance with the State-Local Transportation Partnership Program (2nd Cycle). (Department of Public Works)

ACTION: AMENDED. "Authorizing the Director of Public Works to expend up to $1,641,494 from the State of California for roadway work on City streets in accordance with the State-Local Transportation Partnership Program (2nd Cycle); reserving $1,374,015." RECOMMENDED AS AMENDED.

j. File 100-91-1.11. [Release of Funds] Requesting release of reserved funds, District Attorney, in the amount of $40,000, for hiring policy of Assistant District Attorneys. (District Attorney)

ACTION: CONTINUED TO CALL OF THE CHAIR.

REGULAR CALENDAR

2. File 170-91-11. [General Obligation Bonds] Resolution determining and declaring the public interest and necessity demand the acquisition, construction by the City and County of San Francisco of the following municipal improvement, to wit: improvements to the heating system within the Civic Center area, necessary pipelines, hot water boiler system, together with construction and reconstruction necessary or convenient to improve and replace the Civic Center heating system, that the estimated cost of $21,220,000 for said municipal improvement is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Gonzalez)

   ACTION: RECOMMENDED.

3. File 170-91-12. [General Obligation Bonds] Resolution determining and declaring the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: improvements to the Civic Center Plaza and Fulton Street Mall, landscaping and street lighting surrounding the City Hall and areas immediately adjacent thereto, including construction and reconstruction necessary or convenient to improve Civic Center Plaza and Fulton Street Mall, City Hall landscaping and properties adjacent thereto, that the estimated cost of $26,700,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Gonzalez)

   ACTION: RECOMMENDED.

4. File 170-91-13. [General Obligation Bonds] Resolution determining and declaring the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvement, to wit: construction of additions to the Civic Center Parking Garage to increase the size of the existing garage including asbestos abatement and providing access for the disabled including construction and reconstruction necessary or convenient to complete the expansion of the Civic Center Parking Garage, that the estimated cost of $24,000,000 for said municipal improvement is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Gonzalez)

   ACTION: RECOMMENDED.

5. File 170-91-14. [General Obligation Bonds] Resolution determining and declaring the public interest and necessity demand the acquisition. construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: repair, reforestation and rehabilitation of Golden Gate Park including water system supply and irrigation, lakes and water courses, utilities including street lighting and security lighting, repair and rehabilitation of park features, landscaping, restrooms including disabled access thereto and all other work necessary or convenient to provide for the repair and rehabilitation of Golden Gate Park features, including reforestation, that the estimated cost of $78,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Gonzalez)

   ACTION: AMENDMENT OF THE WHOLE ADOPTED. (Reduced to $76,300,000; Title amended to read $76,300,000.) RECOMMENDED AS AMENDED.

6. File 170-91-15. [First Amendment to Moscone Project Lease] Resolution approving and authorizing the execution and delivery of a first amendment to project lease; approving the issuance of the Redevelopment Agency of the City and County of San Francisco Lease Revenue Bonds, Series 1992 (George R. Moscone Convention Center); and authorizing and ratifying the execution and delivery of documents reasonably necessary for the issuance, sale and delivery of such bonds, all in connection with a refunding of the Redevelopment Agency of the City and County of San Francisco George R. Moscone Convention Center Lease Revenue Bonds, Series 1988, and the reimbursement of certain costs of the project to the City and County of San Francisco. (City Attorney)

ACTION: AMENDMENT OF THE WHOLE ADOPTED. "Approving and authorizing the execution and delivery of a First Amendment to Project Lease; approving the issuance of the Redevelopment Agency of the City and County of San Francisco Lease Revenue Bonds, Series 1992 (George R. Moscone Convention Center); approving the form of an official statement with respect thereto; and authorizing and ratifying the execution and delivery of documents reasonably necessary for the issuance, sale and delivery of such bonds, all in connection with a refunding of the Redevelopment Agency of the City and County of San Francisco George R. Moscone Convention Center Lease Revenue Bonds, Series 1998, and the reimbursement of certain costs of the project to the City and County of San Francisco." RECOMMENDED AS AMENDED. TO BOARD AS COMMITTEE REPORT JANUARY 13, 1992.

7. File 115-91-12. [Planning Fees] Ordinance amending City Planning Code by adding new Section 366 and renumbering Sections 366, 367, 368 of Article 3.5A and adding new Section 364, and renumbering Section 364 of Article 3.5 to impose new fees for reviewing applications relating to extension of deadline to comply with provisions of Section 179 (d) and Section 179 (f), of the Planning Code. (Department of City Planning)
(Consideration continued from 12/18/91)

ACTION: RECOMMENDED.

8. File 115-90-4. [Neighborhood Commercial District — Permitted Uses] Ordinance amending Part II, Chapter II of the San Francisco Municipal Code (City Planning Code) by amending Section 179 to extend the deadline to file applications for permits and conditional use authorization to comply with applicable code requirements; and finding consistency with the priority policies set forth in City Planning Code Section 101.1. (Supervisor Maher)

(From Economic & Social Policy Committee Without Recommendation 9/24/91 - Fiscal Impact)
(Consideration continued from 12/18/91)

ACTION: RECOMMENDED.

9. File 53-91-5. [Final Negative Declaration] Resolution adopting Final Negative Declaration, finding and determining that the Islais Creek Pump Station and Associated Improvements on Assessor's Blocks 5227, Lots 1; 5228/1, 11 and 5262/9 for the property located at the intersection of Evans Avenue and Rankin Street will have no significant impact on the environment; and adopting and incorporating findings of Final Negative Declaration; companion to File 53-91-5.1. (Department of Public Works)

(Recommended from City Services 12/17/91 - Fiscal Impact)

ACTION: RECOMMENDED.

10. File 53-91-5.1. [Southeast Water Pollution Control Plant] Resolution approving Islais Creep Pump Station and Associated Improvements to the Southeast Water Pollution Control Plant; companion to File 53-91-5. (Department of Public Works)

(Recommended from City Services 12/17/91 - Fiscal Impact)

ACTION: RECOMMENDED.

11. File 101-91-30. [Government Funding] Ordinance appropriating $4,491,000, Department of Public Works, for capital improvement project (Islais Pump Station and Southeast Plant Design); placing $250,000 on reserve; companion to Files 53-91-5 and 53-91-5.1. RO #91119. (Controller)

(Consideration continued from 12/18/91)

ACTION: AMENDED. (Appropriation increased to $4,750,000) Title amended to read "Appropriating $4,750,000". RECOMMENDED AS AMENDED.

12. File 101-91-33. [Government Funding] Ordinance appropriating $14,053, Department of Public Health, for permanent salaries-miscellaneous, rescinding $14,053 from permanent salaries-miscellaneous, for the creation of one position and deletion of one position; companion measure to File 102-91-13. RO #91089A. (Controller)

ACTION: CONTINUED TO RECESSED MEETING JANUARY 15, 1992.

13. File 102-91-13. [Public Employment] Ordinance Amending Annual Salary Ordinance, 1991-92, Department of Public Health, Central Office, reflecting the addition of one position and deletion of one position to reflect changes in the State budget as a result of realignment and reauthorization of Proposition 99. (Civil Service Commission)

ACTION: CONTINUED TO RECESSED MEETING JANUARY 15, 1992.

14. File 101-91-34. [Government Funding] Ordinance appropriating $667,685, Sheriff Department, for professional services - Prop J. RO #91118. (Controller)

ACTION: RECOMMENDED. TO BOARD AS COMMITTEE REPORT JANUARY 13, 1992.

File 100-91-1.16. [Release of Funds] Release of reserved funds, Municipal Court, in the amount $733,045, reserved pending determination of appropriate location for OR Project budget.

Release of $733,045 RECOMMENDED. FILED.

15. File 101-91-35. [Government Funding] Ordinance appropriating $25,000, City Attorney for litigation expenses. RO #91121. (Controller)

ACTION: RECOMMENDED.

Public Library, Documents Dept
ATTN: Gerry Rot

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1/10/92

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 6, 1992

DOCUMENTS

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: January 10, 1992 Rescheduled Finance Committee Meeting

Item 1a - File 38-91-22

Note: This item was continued by the Finance Committee at its meeting of December 18, 1991

Department: San Francisco Public Library

Item: Resolution authorizing acceptance of a gift from the Library Foundation of San Francisco for lease/purchase of a library automation system.

Amount: $1,500,000

Description: The San Francisco Public Library wants to install a new electronic computer and telecommunications system card catalogue system prior to the opening of the new Main Library. The electronic computer system would also be installed at the 27 branch libraries. The proposed gift of $1.5 million would provide a portion of the costs associated with the proposed electronic computer system. The proposed electronic computer system would provide the public with on-line access to library materials and community information resources, and provide Public Library staff with a greater ability to manage the Library's collections and resources. Prior to installing the electronic computer system, the entire Public Library collection must be inventoried and catalogued. Therefore, the Public Library proposes to initially install the electronic computer system into the existing Main Library for inventory purposes, and then transfer and expand the electronic computer system to the new Main Library by FY 1996-97. Mr. Ed McBride of the San Francisco Public Library reports that upon installation of the proposed electronic computer system in the new Main Library, approximately 1,000 terminals would be available for public use.

The total cost for the proposed electronic computer system equipment and installation is estimated at $3,888,686, which would be amortized over a six-year period. In addition, total operating costs for six years for the proposed electronic computer system is approximately $3,203,876 (approximately $533,979 annually) for a total estimated cost of $7,092,562 for a six year period. After the proposed electronic computer system equipment is amortized over six years, annual operating costs subsequently would be approximately $504,000 annually. These annual operating costs would include telecommunications usage, data processing maintenance, materials and supplies.

Comments:

1. The proposed electronic computer system would be purchased and installed from Digital Equipment Corporation. Mr. McBride indicates that the Public Library, along with assistance from the Purchasing Department, the City Attorney's Office, the Human Rights Commission and the Electronic Information Processing Steering Committee issued a Request For Information (RFI) for lease/purchase and installation of the proposed automation system. Mr. McBride reports that 20 firms nationally were issued the Request for Information (RFI), and given the scope of the project and the expertise which would be required. The Public Library included minimum specifications in the RFI issued. Mr. McBride states that only one firm, Digital Equipment Corporation, responded to the RFI. Mr. McBride also reports that a Request for Proposal (RFP) was later issued to Digital Equipment Corporation, who subsequently submitted a bid, and a lease agreement for a six-year period was later negotiated.

2. Mr. McBride indicates that under the proposed lease agreement with Digital Equipment Corporation, after six years when the City has provided the total equipment and installation costs of $3,888,686, Digital Equipment Corporation would sell the electronic computer system to the City for $1. Mr. McBride indicates that the City Attorney's Office is currently drafting the finalized lease agreement documents, and therefore the Public Library has not yet entered into the proposed lease agreement. However, Mr. McBride also indicates that the proposed lease agreement would be part of the City's on-going master contract with Digital Equipment Corporation. Mr. Fred Weiner of the Chief Administrative Officer's (CAO's) Office reports that the master contract was set up through the Purchasing

Department, and therefore the lease agreement, which is part of the master contract, would not be subject to future approval by the Board of Supervisors. Therefore, the Board of Supervisors would only have approval of the proposed resolution and annual appropriation decisions for the project as included in the Public Library's budget.

3. As noted above, the total equipment and installation costs for the proposed electronic computer system are estimated at $3,888,686 and operating costs are estimated at $3,203,876 for a total of $7,092,562 for the six-year period. The source of funds for the proposed $7,092,562 is anticipated to come from the following sources over a six year period:

	FY 1992-93	FY 1993-94	FY 1994-95	FY 1995-96	FY 1996-97	FY 1997-98	Total
General Fund	$366,585*	$360,192	$580,300	$816,290	$1,018,952	$1,163,542	$4,305,861
Fuhrman Fund	65,000	65,000	65,000	65,000	65,000	65,000	390,000
FEMA Funds	594,517	206,162	36,022	0	0	0	836,701
Library Foundation of San Francisco	0	500,000	500,000	350,000	150,000	0	1,500,000
Academy of Sciences	0	12,000	12,000	12,000	12,000	12,000	60,000
Total	$1,026,102	$1,143,354	$1,193,322	$1,243,290	$1,245,952	$1,240,542	$7,092,562

* $281,688 would come from the Public Library's FY 1991-92 budget for existing automated circulation services.

4. Mr. McBride reports that the Public Library currently operates an automated circulation system which allows the Public Library to monitor whether books and periodicals have been checked out of the Library. Mr. McBride reports that the Public Library currently budgets approximately $281,688 annually for these services. However, Mr. McBride reports that these currently budgeted funds would be put towards the proposed electronic computer system.

5. The proposed equipment and installation costs of $3,888,686 are for the following:

Digital Equipment Corporation (DEC) Hardware	$2,465,422
Information Access Database	136,454
DEC Consulting Services (Installation)	120,000
On-Line Communications Library Corporation (OLCLC) Inventory Services	454,615
Software	712,195
Total	$3,888,686

6. The proposed funds from the General Fund for the electronic computer system would be subject to annual appropriation decisions by the Board of Supervisors. The Digital Equipment Corporation lease agreement also includes a fiscal funding clause which would provide the City with the opportunity to refinance the lease after five years when the Library anticipates that there would be additional costs associated with the electronic computer system when the system would be on-line in the new Main Library. These additional costs would be incurred because the electronic computer system would be expanded from approximately 488 terminals to 1,000 terminals. Mr. McBride reports that although the General Fund contribution is required as part of the lease agreement with Digital Equipment Corporation, the fiscal funding clause included in the lease agreement would either 1) allow the City to reduce its annual lease payment and extend the term of the lease, 2) allow the City to skip lease payments for one year and extend the lease term for one year, or 3) take away the equipment from the City if lease payments are not provided.

7. The above-listed total system cost of $7,092,562 does not reflect the additional equipment costs which would be required when the proposed electronic computer system is expanded. However, Mr. McBride reports that $805,000 from the Library Foundation has been earmarked to pay for these equipment costs, in addition to the proposed $1.5 million which the proposed resolution would authorize the Public Library to accept. The acceptance of the additional $805,000 in funds would be subject to future Board of Supervisors' approval. However, Mr. McBride also reports that it cannot yet be determined whether $805,000 would cover all of the additional costs associated with the expanded system.

8. Mr. McBride reports that the Public Library has already received the $836,701 in Federal Emergency Management Agency (FEMA) funds. Mr. McBride also reports that the Public Library received these funds from FEMA to perform a computerized inventory system of the existing collection.

9. The Fuhrman Fund is an annual allocation which the Public Library receives as part of the bequest given to the City by Mr. Alfred Fuhrman. Therefore, these funds are non-General Fund monies.

10. The funds which would come from the Academy of Sciences (AOS) would be contingent upon the AOS agreeing to lease computer terminals from the Public Library. Mr. McBride reports that this agreement has not yet been finalized. Mr. McBride also reports that if AOS does not agree to lease the terminals, then these funds would have to be funded through the General Fund.

11. Approval of the proposed resolution would enable the Public Library to proceed with the installation of the electronic computer system. As previously noted, the total cost of the electronic computer system would be approximately $7,092,562, and approximately $4,305,861 would be funded through the General Fund over a six year period. In light of the City's current fiscal situation including a projected $91.7 million revenue shortfall for fiscal year 1992-93, the Budget Analyst believes that approval of the proposed resolution is a policy matter for the Board of Supervisors.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 1b - File 64-91-35

Department:	Fine Arts Museum Real Estate
Item:	Resolution authorizing a new lease of real property
Location:	270 East Grand Avenue, South San Francisco (first floor and mezzanine)
Purpose of Lease:	The Fine Arts Museum will be vacating the Palace of the Legion of Honor to allow for seismic upgrading of that facility. The proposed lease premises would be utilized to store the major portion of the fine art collection.
Lessor:	N.C. Land Associates Limited Partnership
Number of Sq.Ft., and Cost/Month:	Approximately 9,640 sq.ft. @ $.90/sq.ft. = $8,676/month.
Annual Cost:	$104,112
Utilities and Janitor Provided by Lessor:	No. The City would pay these costs, which are estimated at approximately $2,400 per month.
Source of Funds:	Earthquake Safety Program, Phase I Bond Funds
Term of Lease:	The lease would commence February 1, 1992 or as soon thereafter as alterations are completed by Lessor, and would end January 31, 1995.
Comments:	1. The Real Estate Department reports that the proposed lease provides for five months free rent at the beginning of the lease term. The City would be charged the monthly rental rate of $8,676 for the seven months remaining in the first year of the lease. As a result, the actual annual cost for the first year of the lease would be $60,732 ($8,676 times seven months). For the two subsequent years of the lease, the total annual cost would be $104,112. 2. The Real Estate Department advises that due to the high value of the fine art collection and its extreme sensitivity to the natural environment, it will be necessary to provide special tenant improvements at the proposed lease site. Such improvements would include, complete air conditioning (including stable humidity control), a double action fire protection system, high security burglar bars, and enclosement of all areas allowing light entry. All

tenant improvements will be paid for by the lessor. These improvements are estimated to cost approximately $187,980.

3. According to the Real Estate Department, the proposed monthly rental rate of $8,676 for 9,640 sq.ft. @ $.90 per square foot represents the current fair market rental for the proposed space.

Recommendation: Approve the proposed resolution.

Items 1c, 1d, 1e and 1f - Files 94-91-6, 94-91-7, 94-91-9 and 94-91-10

Note: These items were continued by the Finance Committee at its meeting of December 18, 1991.

The proposed items would authorize the Public Utilities Commission to apply for, accept and expend grants to support portions of the following Municipal Railway capital improvement projects:

MUNI Metro Turnback *Total Project Budget: $202,000,000*

The MUNI Metro Turnback, which consists of a tunnel extension east of Embarcadero station, construction of a portal, and extension of tracks for disabled train storage, will remove the bottleneck created by the two-track storage and inspection capability for disabled vehicles. The Turnback project will also allow the capacity of the subway to be increased. Engineering is underway, and MUNI expects construction to be completed by 1995.

Market Street Transit Thoroughfare *Total Project Budget: $79,000,000*
F Market

The Board of Supervisors on December 12, 1986, passed a resolution (No. 1058-86) approving a MUNI plan to increase service by operating a surface-level streetcar down the entire length of Market Street, to be called the F-Market line. This would include street reconstruction, overhead wire modifications, new boarding islands, restoration of trackway and boarding islands, and assorted overhead wire modifications from Duboce to Castro, and construction of a western terminus at Market and Castro Street. MUNI expects the F-Market to begin service in early 1994.

14-Mission Trolley Overhead Rehabilitation *Total Project Budget: $19,000,000*

There is an on-going need to rehabilitate and replace overhead wire, poles and related needs of the overhead system. MUNI has completed 14-Mission Trolley Overhead Rehabilitation from 4th Street to the downtown Embarcadero terminal loop. The current phase, rehabilitation from Persia Street to the San Jose Avenue loop, is expected to be completed in early 1992. The next phase, rehabilitation from 4th Street to Persia, would be completed in 1993. Rehabilitation from 4th Street to Persia would be funded by the proposed grants. Rehabilitation is expected to be complete by the end of 1994.

Fixed Facility Rehabilitation *Total Project Budget: $5,380,600*

There is a need for the regular replacement of electrical and mechanical systems, for structural repair, and for industrial safety improvements for all of MUNI's fixed facilities.

MUNI Center Improvements *Total Project Budget: $6,248,800*

These improvements must alter to the MUNI Center facility in order to get maximum utility out of the new light rail vehicles. Center improvements would consist, in part, of laying additional track in the MUNI Metro Yard.

Metro Accessibility Improvements *Total Project Budget: $87,068*

Metro Accessibility Improvements would be made in response to the Americans with Disabilities Act, which Congress signed into law within the past year. The $87,068 project budget would fund a study of the engineering and design requirements of disability access improvements.

Metro East Light Rail Vehicle (LRV) Facility *Total Project Budget: $74,000,000*

A new rail maintenance and storage facility is needed to accommodate a growing light rail vehicle fleet. The light rail vehicles are needed to operate service extensions and to alleviate current overcrowding. A site for the East Light Rail Vehicle Facility has been identified and is being evaluated. MUNI anticipates the completion of the East LRV Facility by 1997.

MUNI Metro Extension *Total Project Budget: $76,000,000*

MUNI plans to extend services from the MUNI Metro Turnback facility south and west to a terminus in the proposed Mission Bay project site, with the potential for further corridor expansion. The extension would increase the light rail system by almost two miles, and incorporate six new stops.

Articulated Trolley Bus Purchase: *Total Project Budget: $241,000,000*

The proposed acquisition of articulated trolley coaches would permit MUNI to continue the phased replacement of its existing fleet of 345 standard trolley coaches with 220 articulated trolley coaches and 75 standard trolley coaches over a period of ten years. The articulated trolley coaches cost approximately $612,000 each; the standard coaches cost approximately $450,000 each. The Board of Supervisors approved the purchase of approximately 100 articulated trolley coaches in 1990 (File 94-90-3) from various grants, leaving the purchase of an additional 100 coaches before 1994.

Purchase New Generation Light Rail Vehicles *Total Project Budget: $450,000,000*

The remaining life of the City's fleet of 130 light rail vehicles (LRVs) is less than the industry standard because of its high maintenance requirements. Part of the current fleet is 13 years old, and part of the fleet is 11 years old. The expected life of a light rail vehicle is 15 years. The approximate per unit cost of LRVs is $2,079,000. The City plans to replace all of its LRVs over the next ten years.

Cable Car Vehicle Renovation *Project Budget through 2000 A.D.: $5,800,000*

The City owns 40 cable cars. Since there is now no cable car manufacturer, each of the existing cable cars must be totally refabricated every 60 years, and completely refurbished every 30 years. This periodic refabrication and refurbishing of the cable cars gives the cars an indefinite lifespan.

All of the above MUNI projects are identified as near-term priorities in the Municipal Railway Short Range Transit Plan and Capital Improvements Program which was adopted in September, 1991 and the Regional and State Transportation Improvement Programs.

Local matches for the following grants would come from the following sources:

(1) Bridge Toll revenues are authorized by AB 664 and Regional Measure 1 and distributed by the Metropolitan Transportation Commission (MTC) for transit capital projects which relieve congestion in the transbay corridor. Ms. Gail Bloom of the PUC advises that MUNI expects to receive a total of $7 million Bridge Toll revenues in 1991-92.

(2) Transit Impact Development Fee (TIDF) revenue is intended to pay for a portion of the incremental costs of additional transit service required by new office development. About $50 million have been spent or committed from the fee reserves for transit capital and operating purposes through 1991. There is presently a balance of $73.9 million from TIDF.

(3) Hetch Hetchy revenues are from the operation of the City's hydroelectric project along the Tuolumne River. Hetch Hetchy capital funds are restricted to transit power projects particularly rail and trolley overhead and feeder systems. Hetch Hetchy funds are used as local match for Federal and State grants for trolley overhead additions or rehabilitation and power distribution improvements. Ms. Bloom advises that $300,000 is available from Hetch Hetchy funds for fiscal year 1991-92.

(4) The local sales tax provides funds to build transportation capital improvements, to rehabilitate existing facilities and fund operations of the new facilities. According to Ms. Bloom, approximately $30 million would be available specifically for MUNI from sales tax revenues.

(5) Bay Area Rapid Transit (BART) District Extensions Capital Reserves of approximately $15 million are available for the design and construction of the MUNI Metro Extension to the Caltrain Terminal.

(6) San Francisco Municipal Railway Improvement Corporation (SFMRIC) is a nonprofit corporation established in 1969 to provide capital improvement funds for the MUNI. SFMRIC has sold tax-exempt bonds to raise capital for the purchase of rolling stock and the construction or rehabilitation of facilities. In 1991, the unobligated balance of SFMRIC funds totaled approximately $12 million.

(7) State Rail Bond Revenues include Proposition 108 Urban Rail Bond funds and Proposition 116 State Clean Air and Transportation Improvement Act Bond funds which the voters approved in June of 1990. $2.99 billion is expected to be raised. $35 million of Proposition 116 funds and $175 million of Urban Rail Bond funds have been earmarked for MUNI capital projects.

(8) State Transit Capital Improvement Funds, which include State Article XIX Guideway and Transportation Planning Development Funds, is financed from 50 percent of net receipts from statewide sales taxes on diesel fuel and

Proposition 111 gasoline tax. A total of $14,875,480 is expected to be allocated to San Francisco in 1991-92.

(9) State Transit Assistance funds are raised from 50 percent of net receipts from statewide sales taxes on diesel fuel and Proposition 111 gasoline tax. A total of $6 million is available to San Francisco in 1991-91. Currently, the entire $6 million is budgeted for MUNI operations.

(10) Safe Harbor Lease funds are raised from the sale of depreciation credits for the non-federal share of the LRVs purchased by MUNI in the early 1980s. $8 million is available from Safe Harbor Lease funds for 1991-92.

Each of the proposed grants includes indirect costs, in accordance with the 1990-91 San Francisco PUC Cost Allocation Plan as approved by the Federal government, the PUC reports. Indirect costs are based on in-house labor costs for each of the proposed grants, Ms. Bloom advises. A copy of the Disability Access is in the file for each of the proposed grants.

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Item 94-91-6

Amount and Source of Grant:	$194,534 from State Transit Capital Improvement Funds
Start of Grant Period:	July 1, 1991
Local Match:	$194,534

Projects:

	1991-92 State Funds Requested	Total 1991-92 Project Cost
MUNI Center Improvements	$156,000	$312,000
MUNI Metro Accessibility	38,534	77,068
Total	$194,534	$389,068

Project Budgets: MUNI Center Improvements

	1991-92 Grant Request	Total 1991-92 Project Cost
In-House Design and Engineering	$27,800	$55,600
Construction Contracts	111,500	223,000
Project Administration & Indirect Costs	16,700	33,400
Total Project Cost	$156,000	$312,000

MUNI Metro Accessibility

	1991-92 Grant Request	Total 1991-92 Project Cost
Professional Services Contract	$37,500	$75,000
Project Administration & Indirect Costs	1,034	2,068
Total Project Cost	$38,534	$77,068

Funding:

State portion (50%)	$194,534
Local portion (50%)	194,534
Total Funding	$389,068

Comment:

1. San Francisco receives approximately one-sixth of State Transit Capital Improvement Funds every year, Ms. Bloom reports. Thus, the funding level remains approximately the same every year.

2. The local match of $194,534, if approved by the Board of Supervisors, would come from the San Francisco Municipal Railway Improvement Corporation.

3. The Professional Services Contract for $37,500 of the proposed grant would support a MUNI Metro Accessibility Study. Ms. Bloom reports that the contractor for the study, Abb-Impell was selected through a competitive bid. According to the Human Rights Commission, Abb-Impel is not a MBE/WBE firm. As of the writing of this report, the Department has been unable to provide information regarding the hours and rates of the proposed contract. Therefore, $37,500 should be reserved pending information regarding the hours and rates of the proposed contract.

4. $111,500 of the proposed grant would support construction contracts for MUNI Center Improvements. Ms. Bloom reports that the Department has not yet selected a contractor for the MUNI Center Improvements. Therefore, $111,500 should be reserved pending selection of a contractor and information regarding the MBE/WBE status of the contractor.

5. The start date for the proposed grant was July 1, 1991. Therefore, the proposed grant should be amended to authorize the Department to apply for and accept,

retroactively, State Transit Capital Improvement Funds. Ms. Bloom advises that the Department has not yet begun to spend grant funds, and therefore does not need retroactive authorization to expend the proposed grant.

6. According to the proposed resolution, the combined project budgets, including the local match, for the total 1991-92 project cost, would be as follows:

	Total 1991-92 Project Cost
Design and Engineering	$55,668
Construction Contracts	300,000
Project Administration and Indirect Costs	33,400
Total	$389,068

However, according to Ms. Bloom, the actual costs would be as follows, as reflected in the above budgets:

	Total 1991-92 Project Cost
Design and Engineering	$55,600
Construction Contracts	223,000
Professional Service Contract	75,000
Project Administration and Indirect Costs	35,468
Total	$389,068

Therefore, lines 18 through 22 on page two of the proposed resolution should be amended to reflect these actual costs.

7. Indirect costs for the proposed grant, at $17,734, equal nine percent of the total grant, at $194,534.

Recommendations: (1) Reserve $37,50 pending information regarding the hours and rates of the proposed contract, for professional services.

(2) Reserve $111,500 pending selection of a contractor and information regarding the MBE/WBE status of the contractor.

(3) Amend the proposed grant to authorize the Department, retroactively, to apply for and accept the proposed grant.

(4) Amend the proposed grant to reflect the changes in cost noted in Comment 6, above.

(5) Approve as amended.

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Item 94-91-7

Amount and Source of Grant: $16,605,946 from State Transit Capital Improvement Funds

Start of Grant Period: July 1, 1991

Local Match: $16,605,946

Federal Portion: $49,817,838

Projects:

	1991-92 State Funds Requested	Total 1991-92 Project Cost
MUNI Metro Turnback	$6,250,000	$31,250,000
Market Street Transit Thoroughfare /F-Market	329,079	1,645,395
14-Mission Trolley Overhead Rehabilitation	379,387	1,896,935
Metro East Light Rail	1,925,000	9,625,000
Articulated Trolley	7,722,480	38,612,400
Total	$16,605,946	$83,029,730

Project Budgets: MUNI Metro Turnback

	1991-92 Grant Request	Total 1991-92 Project Cost
Professional Services Agreement	$250,000	$1,250,000
In-House Construction	250,000	1,250,000
Construction Contracts	5,600,000	28,000,000
Project Administration and Indirect Costs	150,000	750,000
Total Project Cost	$6,250,000	$31,250,000

Market Street Transit Thoroughfare/F-Market

	1991-92 Grant Request	Total 1991-92 Project Cost
Vehicle Rehabilitation Contract	$329,079	$1,645,395

14 Mission Trolley Overhead Rehabilitation

	1991-92 Grant Request	Total 1991-92 Project Cost
In-House Construction	$30,000	$150,000
Construction Contracts	300,000	1,500,000
Contingency	31,387	156,935
Project Administration and Indirect Costs	18,000	90,000
Total Project Cost	$379,387	$1,896,935

Metro East Light Rail

	1991-92 Grant Request	Total 1991-92 Project Cost
Professional Services Agreement	$1,500,000	$7,500,000
In-House Design	205,000	1,025,000
Contingency	85,000	425,000
Project Administration and Indirect Costs	135,000	675,000
Total Project Cost	$1,925,000	$9,625,000

Articulated Trolley Purchase

	1991-92 Grant Request	Total 1991-92 Project Cost
Vehicle Purchase Contract	$7,625,000	$38,125,000
Project Administration and Indirect Costs	97,480	487,400
Total Project Cost	$7,722,480	$38,612,400

Funding:

State portion (20%)	$16,605,946	
Local portion (20%)	16,605,946	
Federal portion (60%)	49,817,838	
Total Funding		$83,029,730

Comments:

1. San Francisco applies for State Transit Capital Improvement Funds every year through a competitive process, Ms. Bloom reports. Ms. Bloom further advises that the proposed grant represents approximately one-sixth of all available State Transit Capital Improvement Funds, which is

approximately the same portion of funds the City has received in past years.

2. A Vehicle Purchase Contract for the purchase of 35 new articulated trolleys, at $30,600,000, was previously approved by the Board of Supervisors (File 7-90-7). The contract is with New Flyer Industries, Limited. A new contract to purchase 25 additional articulated trolleys, at $22,791,418, was approved by the Supervisors in December 1991. The proposed grant would support $7,650,000 of the two previously approved contracts.

3. According to Ms. Bloom, no contractor has been selected for the Vehicle Rehabilitation Contract for the F-Market, supported by the proposed grant in the amount of $329,079. According to Mr. Bruce Bernhard of the PUC, the rehabilitation contract has been sent out to bid, and Morrison-Knudson is the only bidder to have submitted a proposal. However, the contract has not yet been awarded. Therefore, $329,079 for the Vehicle Rehabilitation Contract should be reserved pending selection of a contractor and information regarding the MBE/WBE status of the contractors.

4. Mr. Bernhard advises that $1,925,000 for the Metro East Light Rail project has been denied by the funder. Therefore, the proposed resolution should be amended to authorize the Department to apply for, accept and expend a grant in the amount of $14,680,946, and $14,680,946 from local match funds instead of $16,605,946 in grant funds and $16,605,946 in local match funds.

5. According to Mr. Bernhard, no contractor has been selected for the MUNI Metro Turnback Construction Contracts, at $5,600,000 plus $31,387 for Contingencies, or the 14 Mission Trolley Overhead Rehabilitation Construction Contracts, at $300,000. Therefore, $5,931,387 should be reserved for Construction Contracts pending selection of a contractor and information regarding the MBE/WBE status of the contractor.

6. Ms. Bloom reports that Bechtel National has been selected as the contractor for the MUNI Metro Turnback Professional Services Agreement, supported by the grant in the amount of $250,000. Bechtel National is not an MBE/WBE firm. As of the writing of this report, the Department was unable to provide specific information regarding the hours and rates of the proposed contractor. Therefore, $250,000 in Professional

Services should be reserved pending information regarding hours and rates of the contractor.

7. Ms. Bloom advises that, if the Board of Supervisors approves the proposed resolution, the local match sources for the budgeted projects would be as follows: for the MUNI Metro Turnback, at $6,250,000, from the Transportation Authority; the Market Street Transit Thoroughfare/F-Market, at $329,079, from the San Francisco Municipal Railway Improvement Corporation; 14 Mission Trolley Overhead Rehabilitation, at 379,387, from carry-over Hetch Hetchy funds and the San Francisco Municipal Railway Improvement Corporation; and the Articulated Trolley Purchase, at $7,722,480, from the Transportation Authority.

8. The San Francisco Municipal Railway Improvement Corporation is not listed in the proposed resolution as a source of local match funds. Since the San Francisco Municipal Railway Improvement Corporation would be the source of local match funds for the Market Street Transit Thoroughfare/F-Market and the 14 Mission Trolley Overhead Rehabilitation, the proposed resolution should be amended to list the San Francisco Municipal Railway Improvement Corporation as a source of local match funds.

9. The start date for the grant was July 1, 1991. Therefore, the proposed resolution should be amended to give the Department retroactive authorization to apply for and accept the grant. Ms. Bloom reports that the Department has not yet begun to expend the grant funds, and therefore does not require retroactive approval to expend the proposed grant.

10. According to the proposed resolution, the project costs, including the local match and Federal portion, would be as follows:

	Total 1991-92 Project Cost
Design and Engineering	$6,448,424
Construction Contracts	53,693,540
Vehicle Purchase and Rehabilitation Contracts	20,099,600
Project Administration and Indirect Costs	1,684,780
Total	$81,926,344

However, according to Ms. Bloom, these numbers are incorrect. The actual project costs, as reflected in the above budgets, total $83,029,730. In addition, the Metro East Light Rail Project, at $9,625,000, has been denied. Thus, the actual project costs would be as follows:

	Total 1991-92 Project Cost
Professional Services Agreement	$1,250,000
In-House Construction	1,400,000
Construction Contracts	29,500,000
Vehicle Rehabilitation Contract	1,645,395
Contingency	156,935
Vehicle Purchase Contract	38,125,000
Project Administration and Indirect Costs	1,327,400
Total	$73,404,730

Therefore, page two, lines 17 through 19, of the proposed resolution should be amended to reflect these updated costs.

11. The grant supported indirect costs, at $265,480, are equal to approximately two percent of the amended total grant amount, at $14,680,946. Grant supported construction and professional services contracts would total $14,129,879, or 96 percent of the total grant, not including the denied Metro East Light Rail funds, at $1,925,000, of $14,680,946.

Recommendations: (1) Reserve $329,079 in rehabilitation contracts pending selection of a contractor and information regarding selection of contractors and the MBE/WBE status of the contractors.

(2) Amend the proposed resolution to authorize the Department to apply for, accept and expend a grant in the amount of $14,680,946, and $14,680,946 from local match funds, instead of $16,605,946 in grant funds and $16,605,946 in local match funds.

(3) Reserve $5,931,387 for construction contracts pending information regarding the MBE/WBE status of the contractor.

(4) Reserve $250,000 in Professional Services pending information regarding hours and rates of the contractor.

(5) Amend the proposed resolution to list the San Francisco Municipal Railway Improvement Corporation as a source of local match funds.

(6) Amend the proposed resolution to give the Department retroactive authorization to apply for and accept the grant.

(7) Amend the proposed resolution to reflect the changes noted in Comment 10, above.

(8) Approve, as amended.

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Item 94-91-9

Amount and Source of Grant: $50,000,000 ($37,500,000 from Federal Capital Assistance, Section 3 and $12,500,000 from local match funds)

Grant Period: One year, to begin when the grant is awarded

Local Match: $12,500,000

Projects:

	1991-92 Federal Funds Requested	Total 1991-92 Project Cost
MUNI Metro Turnback	$37,500,000	$50,000,000

Project Budget: MUNI Metro Turnback

	Amount Supported By Grant	Total 1991-92 Costs
Professional Services Agreement	$1,500,000	$2,000,000
In-House Construction	1,500,000	2,000,000
Construction Contracts	33,600,000	44,800,000
Project Administration & Indirect Costs	900,000	1,200,000
Total Cost	$37,500,000	$50,000,000

Funding:

Federal Portion (75%)	$37,500,000	
Local Portion (25%)	12,500,000	
Total Funding		$50,000,000

Comments: 1. According to the proposed resolution, if the Board of Supervisors approves the proposed resolution, the local match of $12,500,000 would come from the State Transit Capital Improvement Program, Proposition 108 Urban Rail Bonds, the Clean Air and Transportation Improvement Act of 1990 Fund, State Transit Assistance funds, AB 664 Bridge Toll Revenues, Regional Measure One Bridge Toll Revenues, Transit Impact Development Fee, San Francisco Municipal Railway Improvement Corporation funds and/or Transportation Sales Tax Revenues.

2. According to Ms. Kathleen Kelley of the PUC, Federal Capital Assistance, Section 3, funds are discretionary funds granted to support individual projects. Although MUNI has received Capital Assistance, Section 3, funds in the past, this is not a continuation grant, but rather is a one-time grant to fund the MUNI Metro Turnback project.

3. Ms. Bloom advises that the Department has selected none of the contractors for the $33,600,000 in grant supported construction contracts. Therefore, $33,600,000 should be reserved pending selection of a contractor and information regarding the MBE/WBE status of the contractor.

4. According to Mr. Bernhard, the $1,500,000 in grant supported professional services contracts has not been awarded. Therefore, $1,500,000 should be reserved in professional services pending selection of a contractor and information regarding the hours, rates and MBE/WBE status of the contractor.

5. Indirect costs, at $900,000, are equal to approximately two percent of the total grant, at $37,500,000. $35.1 million, or 94 percent of the total grant of $37.5 million, would support contractual services.

Recommendations: (1) Reserve $33,600,000 pending information regarding selection of a contractor and information regarding the MBE/WBE status of the contractor.

(2) Reserve $1,500,000 in professional services pending selection of a contractor and information regarding the hours, rates and MBE/WBE status of the contractor.

(3) Approve, as amended.

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Item 94-91-10:

Amount and Source of Grant: $20,500,000 from Urban Rail Bond Funding

Grant Period: July 1, 1990 to June 30, 1992

Local Match: $20,500,000

Projects:

	1991-92 Urban Rail Bond Fund Requested	Total 1991-92 Project Cost
Market Street Transit Thoroughfare/F-Market	$2,000,000	$4,000,000
Metro Extension - Sixth Street	5,000,000	10,000,000
Metro Extension - Sixth to Sixteenth Street	600,000	1,200,000
Light Rail Vehicle Purchase (12 LRVs)	12,900,000	25,800,000
Total	$20,500,000	$41,000,000

Project Budgets: Market Street Transit Thoroughfare/F-Market

	1991-92 Grant Request	Total 1991-92 Project Cost
Construction Contracts	400,000	800,000
In-House Construction	1,000,000	2,000,000
Project Administration and Indirect Costs	600,000	1,200,000
Total Project Cost	$2,000,000	$4,000,000

MUNI Metro Extension to Sixth Street

	1991-92 Grant Request	Total 1991-92 Project Cost
Professional Services Agreement	500,000	1,000,000
In-House Design Work	75,000	150,000
Construction Contracts	3,880,000	7,760,000
Track Purchase Contract	500,000	1,000,000
Project Administration and Indirect Costs	45,000	90,000
Total Project Cost	$5,000,000	$10,000,000

MUNI Metro Extension from Sixth Street to Sixteenth Street

	1991-92 Grant Request	Total 1991-92 Project Cost
Professional Services Agreement	280,000	560,000
In-House Design Work	200,000	400,000
Project Management and Indirect Costs	120,000	240,000
Total Project Cost	$600,000	$1,200,000

Light Rail Vehicle Purchase

	1991-92 Grant Request	Total 1991-92 Project Cost
Professional Services Agreement	$500,000	$1,000,000
Vehicle Purchase Contract	12,400,000	24,800,000
Total Project Cost	$12,900,000	$25,800,000

State (50%)	$20,500,000	
Local (50%)	20,500,000	
Total Funding		$41,000,000

Comments:

1. Ms. Bloom advises that the sources of local match funds for the budgeted projects, if the Board of Supervisors approves the proposed resolution, would be as follows: Market Street Transit Thoroughfare/F-Market, at $2,000,000, from the Transportation Authority; MUNI Metro Extension to Sixth Street, at $5,000,000, from BART; MUNI Metro Extension from Sixth Street to Sixteenth Street, at $600,000, from the Transportation Authority; Light Rail Vehicle Purchase, at $12,900,000, from the Transportation Authority.

2. The Board of Supervisors previously approved a contract with Breda Costruzioni Ferroviarie S.p.A. to purchase 35 LRVs for an amount not to exceed $82,087,695 (File 178-91-18). $12,900,000 of the total $20,500,000 proposed grant would support twelve of the 35 LRVs that MUNI has agreed to purchase from Breda, Ms. Bloom advises.

3. The proposed grant would support construction contracts in the amount of $4,280,000. According to Mr. Bernhard, no

construction contractors have been chosen. Therefore, $4,280,000 should be reserved in construction contracts pending selection of a contractor and information regarding the MBE/WBE status of the contractors.

4. According to Ms. Bloom, the Professional Services Agreement for the MUNI Metro Extension to Sixth Street has been awarded to Foster and Jordan and Associates, a joint venture, supported by the grant in the amount of $500,000. Foster is not registered as a MBE/WBE firm. Jordan and Associates is a MBE/WBE firm. Mr. Bernhard advises that MUNI Metro Extension from Sixth Street to Sixteenth Street Professional Services Contract, supported by the grant in the amount of $280,000, has been awarded through a competitive bid to Parsons Engineering. Parsons Engineering is not registered as an MBE/WBE firm. Ms. Bloom advises that Booz, Allen, Hamilton, a management and engineering firm, has been selected as the contractor for the Light Rail Vehicle Purchase Professional Services Contract, supported by the grant in the amount of $500,000. Booz, Allen, Hamilton is not registered as a MBE/WBE firm.

As of the writing of this report, the Department was unable to provide information regarding the hours and rates of the proposed contracts. Therefore, $1,280,000 in Professional Services Contracts, or $500,000 for the MUNI Metro Extension to Sixth Street, $280,000 for the MUNI Metro Extension from Sixth to Sixteenth Streets, and $500,000 for the Light Rail Vehicle Purchase, should be reserved pending information regarding the hours and rates of the contractors.

5. According to Ms. Bloom, a contractor has been selected for the Track Purchase Contract. However, as of the writing of this report, the Department was unable to provide information regarding the contractor. Therefore, $500,000 should be reserved for the Track Purchase Contract pending information regarding the MBE/WBE status of the contractor.

6. According to the proposed resolution, the project costs for the proposed grant, including the local match, would be as follows:

Design and Engineering	$2,400,000
Construction Contracts	11,200,000
Vehicle Purchase Contracts	24,800,000
Project Administration and Indirect Costs	2,600,000
Total	$41,000,000

However, according to Ms. Bloom, the actual costs would be as follows, as reflected in the above budgets:

Construction Contracts	$8,560,000
In-House Construction	2,000,000
Professional Services Agreements	2,560,000
In-House Design Work	550,000
Track Purchase Contract	1,000,000
Vehicle Purchase Contract	24,800,000
Project Management and Indirect Costs	1,530,000
Total	$41,000,000

Therefore, page two, lines one through six, of the proposed resolution should be amended to reflect these changes.

7. Indirect costs, at $765,000, are equal to approximately four percent of the total grant amount, at $20,500,000. Contracts supported by the grant, at $18,460,000, including $4,280,000 in Construction Contracts, $1,280,000 in Professional Services, and $12,900,000 in vehicle and track purchase agreements, would equal 90 percent of the total grant, at $20,500,000.

Recommendation: (1) Reserve $4,280,000 in construction contracts pending selection of a contractor and information regarding the MBE/WBE status of the contractors.

(2) Reserve $1,280,000 in Professional Services Contracts, or $500,000 for the MUNI Metro Extension to Sixth Street, $280,000 for the MUNI Metro Extension from Sixth to Sixteenth Streets, and $500,000 for the Light Rail Vehicle Purchase pending information regarding the hours and rates of the contractors.

(3) Reserve $500,000 for the Track Purchase Contract pending information regarding the MBE/WBE status of the contractor.

(4) Amend the proposed resolution to reflect the changes noted in Comment 6, above.

(5) Approve, as amended.

Memo to Finance Committee
Rescheduled January 10, 1992

Item 1g - File 146-91-84

Department: Department of Public Health (DPH), Community Public Health (CPH)

Item: Resolution authorizing the Department of Public Health, to apply for, accept and expend a State grant allocation, which will include indirect costs equal to 15 percent of personnel costs, from the State Department of Health Services for the continuation of the Comprehensive Tobacco Control Plan funded by AB99 and authorizing amendments to the contract with the State regarding use of these funds.

Amount: $1,063,009

Source of Funds: State Department of Health Services - Tobacco Tax monies

Term of Allocation: January 1, 1993 to June 30, 1994

Project: Tobacco Control Plan (AB 99)

Description: In January of 1991, the Board of Supervisors authorized the DPH to apply for, accept and expend $1,595,327 in grant funds for Phase III of the Tobacco Control Plan, for the period January 1, 1991 to December 31, 1992. Phase III involves the implementation of a Comprehensive Community Tobacco Intervention Program. This program is aimed at supplementing existing City and community-based services to target local tobacco control programs to the populations identified by State, including out-of-school youths, pregnant women, women with young children and minorities. Additionally, the program emphasizes tobacco use prevention, discontinuance of tobacco by current and relapsing smokers, and increasing compliance with existing ordinances controlling tobacco use in public facilities, the worksite and eating establishments. The proposed $1,063,009 would be used by DPH to extend the Comprehensive Community Tobacco Intervention Program (Phase III), from January 1, 1993 to June 30, 1994. The Department advises that the extended program would continue to be based on program services, policy and media activities aimed at the reduction of tobacco use.

AB 99 was recently passed by the State legislature. This legislation requires that the State begin allocating Tobacco Tax monies to local jurisdictions prospectively (prior to the provision of services), on a quarterly basis, as opposed to the current practice of disbursing these monies on a cost reimbursement basis, as originally required under AB 75.

Local Match: None

Indirect Costs: 15% of personnel costs (not yet determined)

Comments: 1. The proposed State allocation does not require the City to submit an application. Therefore, the authorization for the DPH to apply for the proposed allocation should be deleted from the legislation.

2. As of the writing of this report, the DPH was unable to provide budget details for the expenditure of this allocation. Therefore, the proposed legislation should also be amended to delete the authorization for DPH to expend this allocation.

3. As noted above, under AB 99, the City would receive allocations from the State on a quarterly basis, prior to the provision of services. The City's existing contract with the State for the use of Tobacco Tax monies provides for the City to receive these monies on a cost reimbursement basis. As such, it will be necessary for the existing contract between the City and the State to be amended, to allow the State to allocate these monies to the City on a quarterly basis, prior to the City's provision of services. The proposed resolution would authorize such amendments to the contract between the City and the State.

4. Attached is a Summary of Grant Request, as prepared by DPH, for this proposed State allocation.

5. The DPH has prepared a Disability Access Checklist which is in the file.

6. Ms. Alyonik Hrushow of the DPH reports that the Department wishes to recess this item to the Finance Committee meeting on January 15, 1991, in order to allow the appropriate staff person to attend the meeting.

Recommendation: Recess this item to the Finance Committee meeting on January 15, 1991, as requested by DPH.

Item No. ________ Health Commission - Summary of Grant Request Rev. 4/10/90

Grantor: California Dept. of Health Services
Division: Community Public Health
Contact Person: Carol Russell
Section: Bureau of Health Promotion
Address: CDHS, Tobacco Control Section, 2nd Flr
6007 Folsom Blvd, Sacramento 95819
Contact Person: Alyonik Hrushow
Telephone: 554-9155
Amount Requested: $ 1,063,009
Application Deadline: No application required
Term: From Jan. 1, 1992 To June 30, 1994
Notification Expected: Prospective Allocation mandated per AB99
Health Commission ________ Board of Supervisors: Finance Committee ________
Full Board ________

I. Item Description: (Circle appropriate words) Request to [✓ (apply for)] [✓ (accept and expend)] a (new) [✓ (continuation)] [✓ (allocation)] (augmentation to a) grant in the amount of $1,063,009 from the period of Jan 1, 1992 to June 30, 1994 to provide comprehensive tobacco control services.

II. Summary: (Community/history; need addressed; number + groups served; services and providers)

This prospective FY 91-92 allocation is mandated by AB99 and represents an extension of the existing comprehensive tobacco control plan (FY 89-90, 90-91 funds) which is effective through 12/31/92. The State Dept. of Health Services will be requiring a supplemental plan by April 1, 1992. The supplemental plan will be effective through June 30, 1994.

III. Outcomes/Objectives:

The supplemental tobacco control plan guidelines have not yet been developed. However, the plan will continue to be based on program services, policy, and media activities to reduce tobacco use.

IV. Effects of Reduction or Termination of These Funds:

This prospective allocation is mandated by AB99.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount	1,603,952	1,878,048 *	1,063,009	-532,318	0	
Personnel	641,790	907,471				
Equipment	1,635	3,250				
Contract Svc.	699,435	652,517				
Mat. & Supp.	63,749	67,375				
Facilities/Space	21,000	41,238				
Other	80,074	70,076				
Indirect Costs (15% of Personnel)	96,269	136,121				
VI. Data Processing (costs included above)	14,606	0				
VII. Personnel						
F/T CSC	6	6	6			
P/T CSC	12	12	12			
Contractual						

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
Bureau of Environmental Health, State Mental Health Grant, SFGH.

Will grant funded employees be retained after this grant terminates? If so, How?
NO

*VIII. Contractual Services: Open Bid X Sole Source ________ (If sole source attach Request for Exemption Form)

* $1,878,048 INCLUDED THE 2ND STATE ALLOCATION OF $1,595,327 PLUS $282,721 OF SAVINGS CARRIED OVER FROM THE PHASE I/PHASE II PLAN BUDGET (COLUMN A).

Item 1h - File 30-91-23

1. The proposed resolution would authorize the adoption of the County Health Services Plan and Budget for 1991-92 and would provide that the Director of Health and any other appropriate officers and employees of the City and County of San Francisco can certify the County Health Services Plan and Budget of San Francisco.

2. The Department of Public Health (DPH) reports that the FY 1991-92 County Health Services Plan and Budget reflects major changes from previous years because, it addresses new State reporting requirements which integrate the provisions of State Tobacco Tax Funds (AB 99) and new State realignment legislation (AB 1288 and AB 1491) with those provisions governing county indigent health care.

3. The new State realignment legislation (AB 1288 and AB 1491) changes the method by which the State provides funds to the City for inpatient and outpatient services and public health services (AB 8), and medical services to medically indigent adults (Medically Indigent Services Program or MISP). Under the new realignment legislation, the State will provide funds, to the City, for these services from increased Sales Tax and Vehicle License Fees in lieu of State grants for these health services.

4. The County Health Services Plan and Budget includes two major sections, County Health Services and Indigent Health Care Services. The County Health Services section includes the public health and inpatient/outpatient services information formerly reported under AB 8. The Indigent Health Care Services section includes information formerly reported in connection with the MISP and California Healthcare for Indigents Program (CHIP). Although AB 8 and MISP funding are eliminated under the State realignment legislation, CHIP (AB 99) funding continues.

Comments

1. The DPH advises that the Department must provide a copy of the proposed resolution (adopted and signed) to the State Department of Health Services no later than January 21, 1992. The Department advises that delays in the submission of this document may hold up the City's payments, for the above noted services, from the State.

2. The DPH reports that the County Health Services Plan and Budget is consistent with the 1991-92 departmental budget, for the above noted services, as previously adopted by the Board of Supervisors.

3. File 101-91-31, which will be heard at the Finance Committee meeting on January 15, 1992, also addresses matters related to the new State realignment legislation.

4. Ms. Lucille Burlew-Lawler of the DPH has requested that this resolution be heard by the full Board of Supervisors on January 13, 1992 so that the Department can meet the January 21, 1992 deadline set by the State for the submission of a copy of the signed and adopted resolution. If the Finance Committee wants to expedite this resolution, the Committee should refer this legislation as a Committee report to the Board of Supervisors for hearing on January 13, 1992.

Recommendation

Approve the proposed resolution and refer the legislation as a Committee report to the Board of Supervisors.

Memo to Finance Committee
Rescheduled January 10, 1992

Item 1i - File 148-91-1.1

Department:	Department of Public Works (DPW) Bureau of Engineering
Item:	Resolution authorizing the Director of Public Works to expend a State grant for roadway work on City streets in accordance with the State-Local Transportation Partnership Program (2nd Cycle).
Amount:	Up to $1,641,494
Source of Funds:	California Department of Transportation (Caltrans)
Grant Period:	June 1, 1992 through December 31, 1992
Description:	The Board of Supervisors previously authorized the DPW to apply for and accept funds granted under the State-Local Transportation Partnership Program on a continuing basis over the ten-year life of the program (File 148-90-3). The proposed grant funds would provide the second year of the ten-year program. The proposed grant funds are made available for various local transportation street improvement projects under SB 400.

Project Budget:

Project Limits	Type of Work	State Funds	Local Match	Total Project Cost
Various Locations, Street Reconstruction (Alta St., 27th St., Ramsell St., Mansell St.)	Reconstruction	$450,300	$1,049,700	$1,500,000
Irving Street (Arguello Blvd. to 29th Ave.)	Resurfacing	267,478	623,522	891,000
Arlington St. (Fairmont St. to Bosworth St.)	Resurfacing	135,991	317,009	453,000
Ellsworth St. (Jarboe St. to Alemany Blvd.)	Resurfacing	63,342	147,658	211,000
Bennington St. (Eugenia Ave. to Highland Ave.)	Resurfacing	26,117	60,883	87,000
Crescent St. (Agnon St. to Andover St.)	Resurfacing	45,030	104,970	150,000

Project Limits	Type of Work	State Funds	Total Local Match	Project Cost
De Haro St. (Division St. to 15th St., 16th St. to 18th St. and Southern Heights Ave. to 24th St.)	Resurfacing	131,187	305,813	437,000
Chattanooga St. (21st St. to Jersey St.)	Resurfacing	46,531	108,469	155,000
Arkansas St. (16th St. to 18th St.)	Resurfacing	75,050	174,950	250,000
14th St. (Market St. to Buena Vista Terrace)	Resurfacing	128,185	298,815	427,000
Vallejo St. (Front St. to Kearny St.)	Resurfacing	50,434	117,566	168,000
17th Avenue (North End of 17th Ave. to Geary Blvd.)	Resurfacing	68,746	160,254	229,000
Rutland St. (Harkness Ave. to Visitacion Ave.)	Resurfacing	56,438	131,562	188,000
Clayton Street (Ashbury St. to Market St.)	Resurfacing	64,843	151,157	216,000
Claremont Boulevard (Granville St. to Ulloa St.)	Resurfacing	31,821	74,179	106,000
Total		$1,641,493	$3,826,507	$5,468,000

Local Match:		
	$3,202,985	Half-Cent Sales Tax
	623,522	1987 Street Improvement Bond Funds
	$3,826,507	Total

Indirect Costs: None. The California Department of Transportation does not allow the use of grant funds for indirect costs.

Comments:

1. Mr. Joe Ovadia of the DPW's Bureau of Engineering reports that the $623,522 in local matching funds which would come from the 1987 Street Improvement Bond funds would be used as the local match for the Irving Street resurfacing project. Mr. Ovadia indicates that local matching funds from the 1st cycle of the State-Local Partnership Program came from these bonds funds, and $623,522 in local funds were not required for the 1st cycle, and therefore, the DPW would use these funds for the 2nd cycle of the program.

2. Mr. Ovadia states that all of the above-listed projects would be done through contractual services. However, Mr. Ovadia indicates that only the contractor for the Irving Street resurfacing project has been selected, and none of the remaining contractors have yet been selected by the DPW. Therefore, excluding the $891,000 budgeted for the Irving Street resurfacing project, including $267,478 in California Department of Transportation funds, funds totalling up to $1,374,015 ($1,641,493 in California Department of Transportation funds less $267,478 for the Irving Street project funds) should be reserved pending the selection of contractors, including identification of the MBE/WBE/LBE status of the contractors and finalized contract cost details.

3. Mr. Ovadia indicates that the contractor for the Irving Street project would be the joint venture of Stacy & Witbeck, Incorporated/Esquival, a City-certified MBE/LBE joint venture. Mr. Ovadia reports that the low bidder on the project did not submit a "Declaration of Compliance with South Africa Divestment Ordinance" with their bid as required by the notice issued to bidders. Therefore, including the ten percent preference points, the next low bidder on the project was Stacy & Witbeck Incorporated/Esquival. Mr. Ovadia also reports that additional RFPs for the remaining contracts would be issued in Spring, 1992, and the DPW anticipates contracting with approximately five or six additional contractors to perform the remaining above-listed projects.

4. Mr. Ovadia reports that all of the above-listed contract costs include a ten percent allowance for contingencies and a ten percent allowance for DPW Construction Management costs associated with inspecting the projects before completion.

5. The DPW has completed a Disability Access Checklist which is in the file.

6. The DPW has also completed a "Summary of Grant Request Form" which is attached.

Recommendation: Amend the proposed resolution to reserve funds totalling up to $1,374,015 ($1,641,493 in California Department of Transportation funds less $267,478 for the Irving Street project funds) pending the selection of contractors, including identification of the MBE/WBE/LBE status of the contractors and finalized contract cost details. Approve the proposed resolution as amended.

Item No. ______ **Summary of Grant Request** Rev. 4/10

Grantor State of California
Contact Person Stan Hegoven
Address 150 Oak street
San Francisco, CA 94120
Amount Requested $ 1,641,495
Term: From 1-92 To 6-93
Health Commission ______

Division Department of Public Works
Section Bureau of Engineering
Contact Person Joe Ovadia
Telephone 554-8208
Application Deadline ______
Notification Expected ______
Board of Supervisors: Finance Committee ______
Full Board ______

I. Item Description: (Circle appropriate words) Request to (apply for) (accept and [✓ expend]) a (new) (continuation) (allocation) (augmentation to a grant in the amount of $ 1,641,495 from the period of 1-92 to 6-93 to provide for roadway improvements servic

II. Summary: [illegible]
This grant will partly fund construction for resurfacing and reconstruction of 18 streets under the State-Local Transportation Partnership Program

III. Outcomes/Objectives:
upgrade road conditions

IV. Effects of Reduction or Termination of These Funds:
The city will do less paving project

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved
Grant Amount						
Personnel						
Equipment						
*Contract Svc.		2,874,199	1,641,493			
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs						
VI. Data Processing (costs included above)						
VII. Personnel						
F/T CSC						
P/T CSC						
Contractual						

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
None

Will grant funded employees be retained after this grant terminates? If so, How?
None

*VIII. Contractual Services: Open Bid 4-92 Sole Source ______ [illegible]

Item 1j - File 100-91-1.11

Department:	District Attorney
Item:	Release of Reserved Funds for hiring policy of Assistant District Attorneys
Amount:	$40,000
Source of Funds:	Previously Appropriated General Fund Monies

Description: During the budget hearings for FY 1990-91, the Finance Committee recommended that $40,000 included in the District Attorney's budget request be placed on reserve pending the District Attorney giving consideration to filling any new Attorney positions at the lower 8174 Attorney entry level classification instead of the Department's usual practice of filling such positions at the higher 8176 Trial Attorney classification. Based on an average of four Attorney positions becoming vacant during FY 1990-91, the same turnover rate as in 1989-90, the District Attorney would realize a savings of approximately $10,000 per position or a total of $40,000, by filling these positions at the lower 8174 Attorney entry level classification. Due to a lack of funding in 1990-91, the District Attorney hired only one new Attorney. This one new Attorney was hired at the higher 8176 Trial Attorney classification, rather than at the lower 8174 Attorney entry level classification as recommended by the Finance Committee, because the Department believed that a 8176 Trial Attorney could more adequately perform the necessary job duties of the position.

Again in setting the 1991-92 budget, the Finance Committee recommended placing a reserve on $40,000 of the District Attorney's budget to encourage the District Attorney to fill all open Attorney positions at the 8174 Attorney entry level classification. Between July 1, and November 26,1991 the District Attorney reports that a total of six open Attorney positions have been filled. Three positions were filled at the lower 8174 Attorney entry level classification and three positions were filled at the higher 8176 Trial Attorney classification. The District Attorney states that the hiring of half (three out of six positions) of these six positions at the entry level classification reflects a change in their previous hiring policy and brings them into conformity with the policy that the Finance Committee of the Board of Supervisors recommended. Therefore, considering the change in their hiring policy, the District Attorney indicates that the conditions for establishing the $40,000 reserve have been met and the reserve should be released.

Comments:

1. The Finance Committee had requested that the District Attorney give consideration to filling all open Attorney positions at the lower 8174 Attorney entry level classification instead of at the higher 8176 Trial Attorney classification. As previously noted, the District Attorney filled one Attorney position at the higher 8176 Trial Attorney classification in 1990-91 and has filled three Attorney positions at the lower 8174 Attorney entry level classification and three Attorney positions at the higher 8176 Trial Attorney classification in 1991-92, but has still not complied fully with the Board of Supervisors' intentions to fill all open positions at the 8174 Attorney entry level classification.

2. However, the Budget Analyst notes that by filling three of these positions at the lower 8174 Attorney level, the District Attorney's Office has realized a portion of the savings on reserve. By filling one Attorney position at step one of the 8174 Attorney entry level classification and two positions at step five of this position, the District Attorney has saved a total of $24,959 because, the incumbents in those three Attorney positions were at step ***five*** of the ***8176 Trial Attorney*** level. Step one of the 8174 Attorney classification pays $1,634 per biweekly pay period ($42,811 annually), and step five of this classification pays $1,985 per biweekly period ($52,007 annually). Step ***five*** of the ***8176 Trial Attorney*** classification pays $***2,354*** per biweekly pay period ($***61,675*** annually). The total savings for the three positions is computed as follows:

Position	Hire Date	Salary From Hire Date To End Of Year 8176 Tr. Attny. Level		8174 Attny. Level		Savings
First	8/2/91	$56,967	- 5th Step	$48,037	- 5th Step	$8,930
Second	9/16/91*	11,770	- 5th Step	9,925	- 5th Step	1,845
Third	10/7/91	46,374	- 5th Step	32,190	- 1st Step	14,184
Total		$115,111		$90,152		$24,959

*Position vacated as of 12/3/91

3. As reflected above, the Department will achieve a savings of $24,959 this fiscal year by filling three of the six filled positions at the lower level Attorney classification. The requested release of reserve should therefore be reduced by $24,959 from $40,000 to $15,041. The release of the balance of $15,041 should be a policy matter for the Board of Supervisors since the District Attorney has still not complied fully with the Board of Supervisors intentions to fill all positions at the entry 8174 Attorney level classification.

Recommendation: Reduce the requested release of reserve from $40,000 to $15,041. Direct the Controller to return the balance of $24,959 to the General Fund. Approval of the remaining balance of $15,041 of reserved funds is a policy matter for the Board of Supervisors.

Item 2 - File 170-91-11

Department:	Department of Public Works (DPW) Chief Administrative Officer (CAO)
Item:	Resolution determining and declaring the public interest and necessity for the reconstruction by the City and County of San Francisco of the heating system within the Civic Center area, including necessary hot pipelines and the hot water boiler system; and that the estimated cost of $21,220,000 for said municipal improvement is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of a bonded indebtedness.
Amount:	$21,220,000
Description:	The proposed General Obligation bond issue would provide funds for the reconstruction of the Civic Center heating system. Constructed in 1915, the heating system has operated for over 75 years, 35 years more than the anticipated 40 year life span of such systems, according to DPW. In the past year, DPW has reported that the heating system has broken down five times for a total of 11 days. The Board of Supervisors recently approved a $200,000 supplemental appropriation ordinance (File 101-91-27), to be repaid with funds from this proposed bond issuance, for temporary repairs to the Civic Center Power House boilers.

DPW reports in the Bond Program Report that the project would cost a total of $20.8 million. The Capital Improvement Advisory Committee (CIAC) recommended the inclusion of approximately $420,000 for bond issuance costs in the total proposed bond issuance. The proposed bond issuance consists of the following estimated costs:

System Construction	$7,000,000
System Expansion	4,700,000
Building Renovations	7,800,000
Removal of old heating system equipment	1,300,000
Total project cost	$20,800,000
Add cost of bond issuance (Approx. 2%)	420,000
Total proposed bond issue	$21,220,000

Comments:

1. At its November 1, 1991 meeting, the CIAC recommended that the Board of Supervisors approve this bond program and place the bond measure on the June, 1992 ballot.

2. According to the CIAC, if approved by the voters in June, 1992, the sale of the bonds would occur in 1993, and would have a resulting impact on the tax rate, beginning in 1994-95, of approximately $0.0034 per $100 assessed value. After accounting for the $7,000 homeowners exemption, for a home valued at $250,000, the net increase in taxes would be $8.26 per year. The proposed $21.22 million in bonds would be repaid over a 20 year period with annual debt service costs of approximately $2.08 million.

3. In conformance with the Charter, the City's prescribed debt limit is slightly more than $1.651 billion. As of December 24, 1991, the CIAC reported that the City's outstanding debt, including all voter approved issuances, totaled $716 million. Therefore, the net debt capacity of the City is currently $935 million ($1.651 billion less $716 million). If approved by the voters, this proposed bond measure would reduce the net debt capacity by $21.22 million, from $935 million to $914 million.

4. The Board of Supervisors is also considering resolutions to determine the convenience and necessity of issuing $26.7 million in bonds for reconstructing the Civic Center Plaza and Fulton Street Mall (Item 3, File 170-91-12), $24 million for expanding the Civic Center garage (Item 4, File 170-91-13), and $78 million for reforestation and rehabilitation of Golden Gate Park (Item 5, 170-91-14). If these proposed bond measures are approved by the voters, then the City's net debt capacity would be reduced by an additional $128.7 million, or from $914 million to $785 million.

5. Assuming the voters approve all of these proposed bond issuances, the City's estimated debt service on these bonds would be approximately $4.6 million in 1994 and would increase to approximately $14.4 million in 2000, as these Bond Programs are phased in. The debt service estimate is based on an interest cost of 7.5 percent.

6. The City and County of San Francisco does not have a separate procedure for the issuance of GO bonds. Rather, the City adopts the general law of the State of California. The State General Obligation Bond Law requires a resolution of public convenience and necessity be adopted by a two-thirds vote of the Board of Supervisors. If the proposed resolution is approved by a two-thirds vote of the Board of Supervisors, the City Attorney's Office will prepare an ordinance to submit the proposed $21.22 million bond issue to the voters.

7. According to the Bond Program Report prepared by DPW, installation of the new Civic Center heating system would result in lower energy costs and reduced operating and maintenance requirements in comparison to the present heating system. DPW expects the energy savings and reduced operating and maintenance costs to exceed $750,000 annually. Assuming annual debt service costs of approximately $2.08 million once the project is completed, the real debt service cost to the City would be $1.33 million, annually ($2,080,000 in debt service less $750,000 in annual savings).

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 3 - File 170-91-12

Department: Department of Public Works (DPW)
Chief Administrative Officer (CAO)

Item: Resolution determining and declaring the public interest and necessity for the acquisition, construction or reconstruction by the City and County of San Francisco of the Civic Center Plaza and Fulton Street Mall, landscaping and street lighting surrounding the City Hall and areas immediately adjacent thereto, including construction and reconstruction necessary or convenient to improve the Civic Center Plaza and Fulton Street Mall, City Hall landscaping and properties adjacent thereto, and that the estimated cost of $26.7 million for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of bonded indebtedness.

Amount: $26,700,000

Description: In 1987, the Board of Supervisors approved, by resolution, the Master Plan for the Civic Center, which, among other recommendations, proposed construction of the new Main Library, reuse of the old Main Library by the Asian Art Museum, and construction of the Fulton Street Mall. The proposed General Obligation bond issue would provide funds for the improvement of the Civic Center Plaza and the Fulton Street Mall. Such improvements would include the complete restoration of the Civic Center Plaza to its original design and the conversion of Fulton Street, between Hyde and Larkin Streets, into a pedestrian mall.

As stated in the DPW's Bond Program report, the original 1912 design for the Civic Center incorporated a Civic Center Plaza and a Fulton Street Mall. The City built the original Civic Center Plaza according to the 1912 design. However, subsequent construction of Brooks Hall and the underground exhibit hall beneath the Plaza resulted in a reconstructed Civic Center Plaza significantly different from the original design. The Fulton Street Mall was never completed. The proposed bond program would restore the Civic Center Plaza to its original design and complete the Fulton Street Mall.

The estimated total cost of the two improvement projects includes the cost of all site preparation and demolition, site development, construction, contingencies, and design and construction management. In addition, the Capital Improvement Advisory Committee (CIAC) recommended additional lighting and landscaping improvements in the Civic Center area and inclusion of bond issuance costs at a cost of $1.3 million and $500,000, respectively. The cost of the two projects, as well as the additional costs recommended by the CIAC are as follows:

Civic Center Plaza Construction work would consist of renovating the Plaza according to the original 1912 design, replacing the large reflecting pool with two smaller circular fountains, replacing the olive tree groves with smaller plantings, and installing a night lighting system for increased safety and security.	$16,950,000
Fulton Street Mall The Fulton Street Mall would be constructed over the existing Fulton Street roadway and parking area, between Hyde and Larkin Streets.	7,932,000
Lighting and landscaping improvements The proposed construction would consist of installing standardized street lighting and landscaping in the Civic Center area, bounded by Hyde, Franklin, Grove, and McAllister Streets.	1,300,000
Bond issuance costs	500,000
Total proposed bond issue	$26,682,000

A breakdown of the specific project costs for the Civic Center Plaza and the Fulton Street Mall totalling $24,882,000 is provided in the attachment.

DPW estimates that the improvements to the Civic Center Plaza could be completed within 60 months, or by approximately mid-1997, assuming the bond issue is approved by the voters. DPW estimates that the Fulton Street Mall improvements could not be completed until late 1999 due to the construction of the new Main Library and the remodeling of the existing Main Library building for the Asian Art Museum.

The proposed General Obligation bond issue would be placed on the June, 1992 ballot. Adoption of this resolution by a two-thirds vote of the Board of Supervisors is required prior to passage of any ordinance submitting a bond issue to the voters of San Francisco.

Comments:

1. At its November 1, 1991 meeting, the CIAC recommended that the Board of Supervisors approve this bond program and place the bond measure on the June, 1992 ballot.

2. According to the CIAC, if approved by the voters in June, 1992, the sale of the bonds would occur in 1993, and would have a resulting impact on the tax rate, beginning in 1994-95, of approximately $0.0043 per $100 assessed value. After accounting for the $7,000 homeowner's exemption, for a home valued at $250,000, the net increase in taxes would be $10.45 per year. The proposed $26.7 million in bonds would be repaid over a 20-year period.

3. In conformance with the Charter, the City's prescribed debt limit is slightly more than $1.651 billion. As of December 24, 1991, the CIAC reported that the City's outstanding debt, including all voter approved issuances, totalled $716 million. Therefore, the net debt capacity of the City is currently $935 million ($1.651 billion less $716 million). If approved by the voters, this proposed bond measure would reduce the net debt capacity by $26.7 million, from $935 million to $908.3 million.

4. The Board of Supervisors is also considering resolutions to determine the convenience and necessity of issuing $21.22 million in bonds for reconstructing the Civic Center heating system (Item 2, File 170-91-11), $24 million for expanding the Civic Center garage (Item 4, File 170-91-13), and $78 million for reforestation and rehabilitation of Golden Gate Park (Item 5, 170-91-14). If these proposed bond measures are approved by the voters, then the City's net debt capacity would be reduced by an additional $123.22 million, or from $908 million to $785 million.

5. Assuming the voters approve all of these proposed bond issuances, the City's estimated debt service on the bonds would be approximately $4.6 million in 1994 and would increase to approximately $14.4 million in 2000, as the Bond Programs are phased in. The debt service estimate is based on an interest cost of 7.5 percent.

6. The City and County of San Francisco does not have a separate procedure for the issuance of GO bonds. Rather, the City adopts the general law of the State of California. The State General Obligation Bond Law requires a resolution of public convenience and necessity be adopted by a two-thirds vote of the Board of Supervisors. If the proposed resolution is approved by a two-thirds vote of the Board of Supervisors, the City Attorney's Office will prepare an ordinance to submit the proposed $26.7 million bond issue to the voters.

7. It should be noted that the Bond Program Report presented no legal or operational efficiency issue, which would require the construction of the Civic Center Plaza and the Fulton Street Mall. Part of the proposed project would consist of lighting to increase public safety. Although the Board of Supervisors previously approved a Civic Center Master Plan in 1987, which recommended the construction of the Fulton Street Mall, the proposed construction of the Civic Center Plaza and the Fulton Street Mall would only serve to complete the original design of the Civic Center Area, which was first proposed nearly 80 years ago. Except for the night lighting to improve safety and security, the Bond Program Report presents no justification, which would require the construction of the Civic Center Plaza and Fulton Street Mall. Therefore, the proposed resolution should be a policy matter for the Board of Supervisors.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Attachment

PROJECT COST ESTIMATE

		CIVIC CENTER PLAZA	FULTON STREET MALL	TOTAL PROJECT COST
SITEWORK COMPONENT SUMMARY				
SITE PREPARATION AND DEMOLITION		427,000	177,000	604,000
SITE DEVELOPMENT		11,708,000	5,536,000	17,244,000
SITEWORK SUBTOTAL		**12,135,000**	**5,713,000**	17,848,000
GENERAL CONTRACTORS SITE ESTABLISHMENT, EQUIPMENT, TEMPORARY SERVICES, JOB EXPENSES, PERFORMANCE BONDS, OVERHEAD AND PROFIT	13.50%	1,638,000	771,000	
CONSTRUCTION CONTINGENCY	10.00%	1,377,000	648,000	
ESTIMATED CONSTRUCTION COST, JUNE 1996 (ESCALATION AT 4% PER YEAR)		15,150,000	7,132,000	22,282,000
DESIGN FEES		1,000,000	500,000	
CONSTRUCTION MANAGEMENT FEES		800,000	300,000	
ESTIMATED BUDGET FOR CONSTRUCTION		**16,950,000**	**7,932,000**	**24,882,000**

Item 4 - File 170-91-13

Department: Department of Parking and Traffic (DPT)

Item: Resolution determining and declaring the public interest and necessity for the acquisition, construction or reconstruction by the City and County of San Francisco of the Civic Center Parking Garage to increase the size of the existing garage including asbestos abatement and providing access for the disabled including construction and reconstruction necessary or convenient to complete the expansion of the Civic Center Parking Garage; and that the estimated cost of $24 million for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of bonded indebtedness.

Amount: $24 million

Description: According to the Department of Parking and Traffic, the demand for parking in the Civic Center area will increase when the new Main Library is completed, the Asian Art Museum has moved into the old Main Library building, and Fulton Street has been developed into a pedestrian mall (see item 3, File 170-91-12). DPT has estimated the additional new demand for parking to be approximately 370 spaces. DPT has provided the following analysis of parking demand in the Civic Center:

	Number of Parking Spaces Required
Peak accumulation based on current usage	690
Estimated parking demand to be generated by Asian Art Museum	240
Parking stalls displaced from Fulton Street Mall construction	90
Vehicles displaced from other on-street spaces	65
Vehicles displaced from existing Marshall Square lot (Site of new Main Library)	125
Total parking requirement	1,210
Civic Center Garage capacity	840
Net estimated shortfall in parking capacity	370

Based on the above analysis, the DPT proposed a General Obligation bond program that would expand the Civic Center Garage to accommodate 370 additional parking spaces.

In consultation with an engineering firm specializing in parking lots and the Department of Public Works, DPT has furnished the following estimate of the costs of the project:

Construction (Approximately $44,230 per stall)	$16,365,000
Construction contingency (20 percent)	3,273,000
Total construction estimate	$19,638,000
Architecture, engineering and project management (20 % of construction estimate)	3,927,000
Bond issuance costs	471,000
Total proposed bond issue	$24,036,000

Although the projected cost is $24,036,000, the proposed bond issue is for $24 million.

Comments:

1. At its November 1, 1991 meeting, the CIAC recommended that the Board of Supervisors approve this bond program and place the bond measure on the June, 1992 ballot.

2. According to the CIAC, if approved by the voters in June, 1992, the sale of the bonds would occur in 1992, and would have a resulting impact on the tax rate, beginning in 1993-94, of approximately $0.0041 per $100 assessed value. After accounting for the $7,000 homeowner's exemption, for a home valued at $250,000, the net increase in taxes would be $9.96 per year. The proposed $24 million in bonds would be repaid over a 20-year period.

3. In conformance with the Charter, the City's prescribed debt limit is slightly more than $1.651 billion. As of December 24, 1991, the CIAC reported that the City's outstanding debt, including all voter approved issuances, totalled $716 million. Therefore, the net debt capacity of the City is currently $935 million ($1.651 billion less $716 million). This proposed bond measure would reduce the net debt capacity by $24 million, from $935 million to $911 million.

4. The Board of Supervisors is also considering resolutions to determine the convenience and necessity of issuing $21.22 million in bonds for reconstructing the Civic Center heating system (Item 2, File 170-91-11), $26.7 million for reconstructing the Civic Center Plaza and Fulton Street Mall (Item 3, File 170-91-12), and $78 million for reforestation and rehabilitation of Golden Gate Park (Item 5, 170-91-14). If these proposed bond measures are approved by the voters, then the City's net debt capacity would be reduced by an additional $125.92 million, or from $911 million to $785 million.

5. Assuming the voters approve all of these proposed bond issuances, the City's estimated debt service on the bonds would be approximately $4.6 million in 1994 and would increase to approximately $14.4 million in 2000, as the Bond Programs are phased in. The debt service estimate is based on an interest cost of 7.5 percent.

6. The City and County of San Francisco does not have a separate procedure for the issuance of GO bonds. Rather, the City adopts the general law of the State of California. The State General Obligation Bond Law requires a resolution of public convenience and necessity be adopted by a two-thirds vote of the Board of Supervisors. If the proposed resolution is approved by a two-thirds vote of the Board of Supervisors, the City Attorney's Office will prepare an ordinance to submit the proposed $24 million bond issue to the voters.

7. The Budget Analyst notes that, other than the demand created by the future presence of the Asian Art Museum and the loss of the Marshall Square parking lot associated with the construction of the new Main Library, the expansion of the Civic Center Garage by 370 spaces is contingent upon the construction of the Civic Center Plaza and Fulton Street Mall. If the Board of Supervisors chose not to approve the proposed resolution determining the necessity and convenience of the Construction of the Civic Center Plaza and Fulton Street Mall, or the voters of San Francisco do not approve this bond measure, the net shortage of parking would decrease by 90 spaces. This could in turn, the Budget Analyst estimates, reduce the proposed bond issuance by $5.81 million, as shown below:

Construction (280 spaces at approximately $44,230 per stall)	$12,384,000
Construction contingency (20 percent)	2,477,000
Total construction estimate	$14,861,000
Architecture, engineering and project management (20 % of construction estimate)	2,972,000
Bond issuance costs	357,000
Total estimated bond issue for 280 spaces	$18,190,000
Proposed General Obligation Bond issue	24,000,000
Excess bond funds not needed	$5,810,000

8. According to Mr. Kevin Hagerty of the DPT, the Offstreet Parking Fund could not be used to fund the proposed expansion because of insufficient funds.

9. It should also be noted that the Bond Program Report did not include an analysis of how Civic Center parking demand could be modified through increasing the price of parking or through the introduction of transit incentives. Such an analysis might show how the City could reduce the projected increase in parking demand by instituting pricing and transit incentives, and thereby reducing the need for the proposed bond issue. Furthermore, the City currently maintains a Transit First Policy, which encourages the use of public transit alternatives over the use of the automobile. In light of the City's Transit First Policy and the absence of an analysis of how parking demand in the Civic Center area can be modified through pricing and transit incentives, the Budget Analyst believes that the convenience and necessity of the expansion of the Civic Center Garage through the issuance of $24 million in General Obligation bonds has not been adequately justified. Therefore, the Budget Analyst recommends that this proposed resolution not be approved.

10. The Budget Analyst would normally recommend continuance of this proposed ordinance to allow the Department to provide the analysis of pricing and transit incentives. However, according to Mr. Steve Nelson of the CIAC, this proposed resolution must be approved by the Board of Supervisors at its meeting of January 13, 1992 in order to qualify the proposed bond measure for the June, 1992 ballot. Since the deadline for determining the convenience and necessity of the Civic Center Garage expansion does not allow the DPT any time to prepare additional analysis of pricing and transit incentives, the Budget Analyst has therefore recommended disapproval of the proposed resolution. However, the DPT, in conjunction with the CIAC, could still provide the additional analysis of pricing and transit incentives and resubmit this proposed resolution for approval by the Board of Supervisors for the November, 1992 ballot. The Budget Analyst believes that the additional time needed should not affect the scheduling of construction of the Garage expansion.

Recommendation: Disapprove the proposed resolution.

Item 5 - File 170-91-14

Department: Recreation and Park Department

Item: Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco for repair, reforestation and rehabilitation of Golden Gate Park including the water system supply and irrigation, lakes and water courses, utilities including street lighting and security lighting, repair and rehabilitation of park features, landscaping, restrooms including disabled access thereto and all other work necessary or convenient to provide for the repair and rehabilitation of Golden Gate Park features, including reforestation, and that the estimated cost of such improvements would be too great to be paid out of the City's ordinary annual income and revenue and would require the incurring of a bonded indebtedness.

Amount: $78 million

Description: The proposed bond issue in the amount of $78 million would provide funds for various improvements at Golden Gate Park. These improvements include repair, reforestation and rehabilitation of Golden Gate Park, including the following:

- **Water Supply and Distribution** **$35,000,000**
  Golden Gate Park's water supply and distribution system includes the wells, pumps, reservoirs, and irrigation systems. As part of the bond work, all of the wells, pumps and filters and some of the mains would be refurbished or replaced. According to Mr. Phil Arnold of the Recreation and Park Department, the east side of the park does not receive enough water because of its higher elevation and the Park's inadequate pump system. New water mains would be installed to enable the eventual delivery of reclaimed water throughout the Park. Existing irrigation systems, still supplied by domestic water, would be converted to well water and would have the capability of future conversion to reclaimed water.

- **Lakes and Water Courses** **$6,000,000**
  Lake cleaning, shoreline restoration and relining of lakes would be included under this category. All of the bodies of water which are in Golden Gate Park are man-made. These lakes and water courses provide storage for irrigation water, wildlife habitat, and scenic beauty. As part of the proposed project, they would be renovated and cleaned.

•Utilities	**$10,000,000**

This category includes street lighting, security lighting, sewage, and drainage systems. Existing street lighting is fed by overhead wires or direct buried cable. Mr. Arnold reports that these systems are antiquated and require high maintenance. Buried cables are unprotected from moisture. The proposed bond issue would provide funds to upgrade electrical utilities. In addition, the bond issue would provide funds for new light fixtures to be placed at certain intersections.

•Repair and Rehabilitation of Park Features	**$22,000,000**

Reforestation, disabled access, restroom renovation and pathway repair are projects which would be included as part of the bond issue. Additional projects under this category include repair and landscaping of park entrances, repair of fences, gates and retaining walls, rehabilitation of restrooms (including disability access), pathway repairs, erosion control, curb installation, disabled access to key areas, and tunnel and bridge renovation.

•Project Administration	**$3,400,000**

A Planner IV, a Planner III, an accountant, and a secretary, would oversee the administration of the bonds for a period of ten years.

•Bond Sales Costs	**$1,600,000**
Total Estimated Cost	**$78,000,000**

If approved by the Board of Supervisors, the proposed general obligation (GO) bond issue would be placed on the ballot of the June 1992 election. Adoption of this resolution is required prior to passage of any ordinance submitting a bond issue to the voters of San Francisco.

Comments:

1. According to the Recreation and Park Department, if the proposed $78 million bond issue is approved by the voters in June 1992, contracts for the initial work could begin within a year of June 1992 and be phased over a ten-year period.

2. The Board of Supervisors, at its October 16, 1991 meeting, approved an ordinance making it a policy of the City to encourage the use of reclaimed water. (File 188-91-2 and 188-91-5) According to that ordinance, any open area of 10,000 square feet or more that is located within a specified use area, including Golden Gate Park, must install an irrigation system that uses reclaimed or non-potable water by July 1, 1992. The proposed bond measure would install

new water mains to enable the eventual delivery of reclaimed water throughout Golden Gate Park.

3. According to Ms. Deborah Learner of the Recreation and Park Department, the Recreation and Park Department is working with the Clean Water Department to create a Reclaimed Water Master Plan. An Environmental Impact Report will be prepared with the Clean Water Master Plan to address issues around the use of reclaimed water in the Park, such as the impact of reclaimed water on wildlife and plants. Ms. Learner advises that reclaimed water would be high quality, but would contain higher concentrations of salt and metals than clean water. Reclaimed water would not be used in the Park's water bodies, Ms. Learner advises, but would instead be delivered to turf areas, where the soil would act as a natural cleanser.

4. The Capital Improvements Advisory Committee approved the proposed bond issue in November 1991, Ms. Learner reports.

5. According to Ms. Learner, the proposed bond issue includes $6,000,000 in reforestation costs, included under Repair and Rehabilitation of Park Features. The reforestation would be implemented over a period of ten years, at a cost of $600,000 per year. Ms. Learner advises that Golden Gate Park's forests, which are all man-made, provide windbreaks, climatic control, and structural form to the Park. Many of the Park's trees were planted within 15 years of the opening of Golden Gate Park, and are over 100 years old, Mr. Learner reports. According to Ms. Learner, these trees have a life-expectancy of approximately 100 years, and are now susceptible to insect infestation, weakened by the drought and expected to die soon. Previously, reforestation has been funded through General Fund and grant revenues. According to Ms. Learner, the recent reforestation efforts have been slowed due to the drought because newly planted trees need five or more years of individual attention instead of three years under normal conditions, and thus the Park has fallen behind in its reforestation efforts. The bond issue would provide guaranteed funding for reforestation, and allow the Park to maintain its current reforestation goals, despite the increased maintenance costs.

6. According to Ms. Learner, repair and landscaping of park entrances is necessary to preserve the aesthetic quality of the Park. Pathway repairs are necessary because the Park's pathways are unreinforced asphalt and prone to crumbling. Ms. Learner advises that claims have been made against the

City by park-goers who have tripped on crumbling asphalt. Ms. Learner further advises that pedestrian tunnels and bridges are cracked and in need of repair.

7. If any major repair work is conducted on Golden Gate Park, restrooms must be made accessible to the disabled in order for the City to be in compliance with the 1990 Americans with Disabilities Act, Mr. Arnold advises. The proposed bond measure includes costs not to exceed $3 million for disabled restroom access.

8. Four employees, including a Planner IV, a Planner III, a secretary, and an accountant, would be hired to administer the proposed bond issue. However, most of the proposed bond-supported activities would be implemented by the Department of Public Works, and not by the Recreation and Park Department. Also, this is a large number of administrators in comparison with other bond issues. For example, the $109.5 million bond issue to fund the new Main Library, approved by the voters in 1988, which is to be completed over a period of $5^1/_2$ years, has an annual budget of approximately $20 million, as compared to the proposed bond issue of $78 million over a period of ten years, which has an annual budget of approximately $7.8 million. However, only three employees oversee the Library's bond supported projects. According to Ms. Learner, additional staff are needed by the Recreation and Park Department to coordinate community outreach for the bond-related work. Both the Library and the Recreation and Park Department, however, are community-oriented departments. In addition, the $21.22 million in bonds to restructure the Civic Center heating system (Item 2, File 170-91-11), $26.7 million for reconstructing the Civic Center Plaza and Fulton Street Mall (Item 3, File 170-91-12), and $24 million for acquisition, construction or reconstruction by the City and County of San Francisco of the Civic Center Parking Garage (Item 6, 170-91-13) currently under consideration do not include any additional employees.

Because the DPW and not the Recreation and Park Department would carry out the bond-supported projects, and because other bond issues operate effectively with fewer employees, the administrative portion of the proposed bond issue should be reduced by half, from $3,400,000 to $1,700,000 to allow for two employees rather than four. This would reduce the total bond issue from $78,000,000 to $76.3 million.

9. The Controller's Office anticipates that the first one-third of these bonds would be sold in 1992, and that the resulting impact on the tax rate for 1992-93 would be $.0044 per $100 of

assessed value. At this rate, the owner of a house assessed at $250,000 would pay $10.69 in additional property taxes in 1992-93. The Controller's Office anticipates that the entire bond issue would be sold by 1998-99, and that the impact on the tax rate in 1998-99 would be $.0104 per $100 of assessed value. At this rate, the owner of a house assessed at $250,000 would pay $25.27 in additional property taxes in 1998-99. The bonds would be repaid over a 20 year period.

10. The City's current bonding capacity is approximately $935 million. The proposed $78 million bond program would reduce the City's bonding capacity to approximately $857 million.

11. The Board of Supervisors is also considering resolutions to determine the convenience and necessity of issuing $21.22 million in bonds for reconstructing the Civic Center heating system (Item 2, File 170-91-11), $26.7 million for reconstructing the Civic Center Plaza and Fulton Street Mall (Item 3, File 170-91-12), and $24 million for acquisition, construction or reconstruction by the City and County of San Francisco of the Civic Center Parking Garage (Item 4, 170-91-13). If these proposed bond measures are approved by the voters, then the City's net debt capacity would be reduced by an additional $71.92 million, or from $857 million to approximately $785 million.

12. The City and County of San Francisco does not have a separate procedure for the issuance of General Obligation bonds. Rather, the City adopts the general law of the State of California. The State General Obligation Bond Law requires a resolution of public convenience and necessity be adopted by a two-thirds vote of the Board of Supervisors. If the proposed resolution is approved by a two-thirds vote of the Board of Supervisors, the City Attorney's Office will prepare an ordinance to submit the proposed $78 million bond issue to the voters.

Recommendations: Amend the proposed resolution to reduce the proposed bond issue by $1.7 million, to $76.3 million, to allow for two, rather than four, administrators.

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 6 - File 170-91-15

Department: Redevelopment Agency (RDA)

Item: Ordinance approving and authorizing the execution and delivery of a First Amendment to Project Lease; approving the issuance of the Redevelopment Agency of the City and County of San Francisco lease revenue bonds, Series 1992 (George R. Moscone Convention Center); and authorizing and ratifying the execution and delivery of documents reasonably necessary for the issuance, sale and delivery of such bonds, all in connection with a refunding of the Redevelopment Agency of the City and County of San Francisco George R. Moscone Convention Center lease revenue bonds, Series 1988, and the reimbursement of certain costs of the project to the City and County of San Francisco.

Amount: Not to exceed $85 million

Description: The Redevelopment Agency is requesting authorization to sell lease revenue bonds, which the Agency would use to refinance a portion of the original $137.6 million in lease revenue bonds sold in 1988 to finance the Moscone Center expansion project. The RDA plans to use the savings from the refinancing for use on current RDA projects.

Although the proposed ordinance would authorize the issuance of up to $85 million in lease revenue bonds, the Redevelopment Agency expects to refinance approximately $65 million in original 1988 lease revenue bonds, which are scheduled to mature between 2003 and 2018. The proposed new lease revenue bonds would also mature between 2003 and 2018.

Comments: 1. According to Mr. Bob Gamble of the RDA, the Agency presently expects to receive an interest rate of 6.75 percent on the new lease revenue bonds. The original Lease bonds were sold at an interest rate of roughly 8.1 percent.

2. Mr. Gamble reports that given an interest rate of around 6.75 percent, the RDA expects to save a total of $4 million over the remaining life of the bonds from the proposed refinancing. However, Mr. Gamble also reports that the $4 million would be available immediately upon issuance of the 1992 Lease Revenue bonds from funds currently held in escrow. The RDA plans to use the estimated $4 million in savings to help finance the cost of constructing the Yerba Buena Center. The Yerba Buena Center Project is estimated to cost $73.2 million.

3. It should also be noted that the City makes lease payments to the RDA, which pay for the debt service costs on the present lease revenue bonds. Such lease payments indirectly come from the proceeds of a 1.25 percent surcharge on the Hotel Room Tax. This surcharge was specifically imposed to provide funds for the construction of the Moscone Expansion Project and to reimburse the General Fund for lease payments made to the RDA for debt service on the lease revenue bonds. Mr. Bob Kenealey of the City Attorney's Office advises that the RDA's proposed use of the estimated $4 million savings on the Yerba Buena Center Project is in conformance with the 1.25 percent Hotel Room Tax surcharge restriction that funding be allocated for the construction of the Moscone Center Expansion Project.

4. As a policy alternative to the RDA's proposed use of the estimated savings on the Yerba Buena Center Project, the City could reduce its lease payments to the RDA and allow the General Fund to accrue the $4 million in savings directly from the refinancing of the lease revenue bonds. Mr. Kenealey further advises that because the Redevelopment Agency is the holder of the debt from the sale of the Lease Revenue Bonds, the RDA would have to agree to such a reduction in the form of a modification to the First Lease Amendment between the City and the RDA, which is the subject of this proposed ordinance. Mr. Gamble has stated that the RDA would have no incentive to refinance the old Lease Revenue bonds if the RDA could not use the savings for the Yerba Buena Center Project. At the same time, based on the General Fund financial problems of the City, the Board of Supervisors could request that this proposed ordinance be approved contingent on modification of the First Amendment to the lease agreement between the City and the Redevelopment Agency in order to reduce the annual lease payments made by the City to the RDA for debt service on the Lease Revenue Bonds.

5. Mr. Gamble responds that if the RDA could not use the savings for the Yerba Buena Center Project, the RDA would not issue the new Lease Revenue Bonds.

6. The RDA has reported that it expects the Internal Revenue Service to implement new tax regulations on or about January 31, 1992, which would reduce the potential savings derived by the RDA from the new Lease revenue bonds. The RDA is therefore requesting that the Board of Supervisors consider this legislation as soon as possible. Since the Finance Committee meeting is being held on Friday, January 10, 1992, and since the RDA has cited a need to expedite this legislation in order to accrue the full savings

before the new tax regulations take effect, the Budget Analyst recommends that the Finance Committee refer this legislation as a Committee Report to the Board of Supervisors on January 13, 1992.

7. The legislation would currently authorize the RDA to issue up to $85 million in 1992 Lease Revenue bonds to refinance the 1988 Lease Revenue bonds. The RDA plans to refinance a total of $65 million. Therefore, the ordinance should be amended to authorize the RDA to issue up to $65 million in 1992 Lease Revenue bonds.

Recommendation: Amend the proposed ordinance to reduce the amount of the authorization by $20 million, from $85 million to $65 million.

Because the proposed refinancing would reduce interest costs on the Moscone Expansion project, approve the proposed ordinance, as amended, and refer this ordinance as a Finance Committee report to the Board of Supervisors for January 13, 1992.

However, the Budget Analyst believes that whether the benefit of the estimated $4 million in savings should acrue to the City's General Fund or to the RDA is a policy matter for the Board of Supervisors.

Items 7 and 8 - Files 115-91-12 and 115-90-4

Note: These items (Files 115-91-12 and 115-90-4) were continued at the December 18, 1991 Finance Committee meeting.

Items: Ordinance (File 115-90-4) amending Part II, Chapter II of the San Francisco Municipal Code by amending Section 179 to extend the deadline to to file applications for permits and conditional use authorization to comply with applicable code requirements; and finding consistency with the priority policies set forth in City Planning Code Section 101.1.

Ordinance (File 115-91-12) amending City Planning Code by adding new Section 366 and renumbering Sections 366, 367, 368 of Article 3.5A and adding new Section 364, and renumbering Section 364 of Article 3.5 to impose new fees for reviewing applications relating to extension of deadline to comply with provisions of Section 179(d) and Section 179(f) of the Planning Code.

Department: City Planning

Description: The proposed ordinance (File 115-90-4) would amend Part II, Chapter II of the San Francisco Municipal Code by amending Section 179 of the Planning Code to extend the deadline to file applications for use permits to comply with applicable code requirements.

The existing provisions of Section 179 of the Planning Code regulate uses of buildings located in Neighborhood Commercial Districts. On March 13, 1987, the Board of Supervisors approved Ordinance No. 69-87 which, among other provisions, provided for regulation of building standards and uses in Neighborhood Commercial Districts and imposed new requirements for building use authorization, in order to establish new procedures for review of building use in such districts and to establish new compliance regulations.

Section 179(d) provides that any building use located in a neighborhood commercial district, which (1) existed on the effective date of Ordinance 69-87 and was permitted as a principal use at the time the building was established, (2) the required permits had not been obtained, and (3) which building use is not permitted by the enactment of Ordinance 69-87, will be allowed to continue if certain conditions are met. One of these additional conditions requires an application to be filed for all permits necessary to bring the building use into compliance with applicable code requirements and substantially complete all work within three years, or by April 12, 1990, of the effective date of Ordinance No. 69-87.

Section 179(f) provides that any building use located in a neighborhood commercial district, which (1) existed on the effective date of Ordinance 69-87 and was permitted as a conditional use at the time the building was established, (2) the required permits had not been obtained, and (3) which building use is not permitted by the enactment of Ordinance 69-87, will be allowed to continue if certain conditions are met. One of these conditions requires applications for conditional use authorization and other necessary permits to bring the use into compliance with applicable code requirements and substantially complete all work within three years, or by April 12, 1990, of the effective date of Ordinance No. 69-87.

The proposed ordinance (File 115-90-4) would (1) amend Section 179(d) to extend the deadline for an additional three years to file applications legally for use permits to comply with applicable code requirements under Ordinance No. 69-87 and (2) amend Section 179(f) to extend the deadline for an additional three years to file applications legally for conditional use authorizations and other permits to comply with applicable code requirements under Ordinance No. 69-87. Therefore, the proposed ordinance (File 115-90-4) would extend the deadline in which illegal commercial occupants can legally file necessary building permits to within three years of the effective date of the proposed ordinance (File 115-90-4). The time for completion of all work required for compliance with all applicable codes may be extended for an additional one year should delays be caused by a government agency or by legal action.

In order to pay for reviewing applications relating to the extension of the deadline to comply with provisions of Section 179 (d) and Section 179 (f) of the Planning Code, the proposed ordinance (File 115-91-12) would increase fees as follows:

	Current Average Fee	Additional Proposed Fee	Total Proposed Fee
Building Permits	$100	$1,545	$1,645
Conditional Uses	500	985	1,485
Discretionary Reviews	75	0	75

Comments:

1. Mr. Robert Passmore of the Department of City Planning reports that more building permit applications would be filed if the proposed extension is approved and that the Department anticipates additional costs associated with these filing of

applications. Mr. Passmore indicates that under the current provisions, since illegal commercial occupants can no longer legally file a building permit application because the date expired on April 12, 1990, there is no incentive for the illegal occupants to file a permit. Mr. Passmore notes that it is likely that illegal commercial occupants would never file a building permit application in order to conform with commercial standards, unless illegal occupants are given the opportunity to legally do so under the proposed extension. Mr. Passmore reports that the Department of City Planning has not been actively enforcing Ordinance 69-87, but rather illegal commercial occupants have been brought to the Department's attention through one of three ways:

1. Building owner files for a permit for remodeling;
2. Residential or Tenant complaint;
3. Real Estate disclosures (i.e., sellers must inform buyers of any code violations).

Mr. Passmore indicates that since the application deadline has expired on April 12, 1990, the Planning Department has only accepted applications, but has not processed any of the applications received.

2. A June 13, 1991 memorandum from the Department of City Planning estimated that the total cost to administer the proposed extension (i.e., extending the deadline for filing planning permits to comply with applicable code requirements), would be the following:

	FTE	
Planner II	3.50	$181,500
Secretary II	1.50	56,800
Tax Bill notice		4,000
Mailing notice		14,000
Supplies, printing and contingencies		1,100
Total Cost for three years	5.0	$257,400

3. Based upon the number of applications which were filed between April, 1987 and April, 1990, the Department of City Planning anticipates that up to 120 additional building permit applications, including 40 permits requiring a conditional use application, and 8 permits requiring discretionary review applications, would be filed under the proposed legislation. The above estimated program costs are based upon processing 120 applications for a three-year period beginning on the effective

date of the proposed ordinance (File 115-90-4). Mr. Passmore reports that between April, 1987 and April, 1990 permits were filed with existing personnel. However, Mr. Passmore indicates that during this time there was a major backlog in filing the permits, and therefore the Department is requesting these additional personnel.

4. The $4,000 cost which is estimated for Tax Bill notification is anticipated to provide information on the proposed extension of permit filing deadlines within tax bills, and the $14,000 estimated for a mailing notice would be used for an additional notice to provide applicants with comprehensive instructions on filing the application and providing the necessary documentation in order to decrease the amount of permit processing time.

5. The Department of City Planning reports that the program cost could be covered by increasing the fees for the permit and conditional use applications. The Department has estimated that discretionary review fees could remain at the current level. Mr. Passmore reports that these additional fees would not be required beyond the proposed extension.

6. Ms. Martha Kessler of the Department of City Planning reports that all Planning Department fees were increased on July 1, 1991, including an additional 16.5 percent surcharge on various planning fees to cover the one-time cost of computerization to support permit processing for the Department. Ms. Kessler indicates that this surcharge would be reduced to 11.1 percent in FY 1992-93, and to 8.6 percent in FY 1993-94. To justify the increases in permit processing fees, 12 additional permit processing positions were added to the Department of City Planning's FY 1991-92 budget. These positions include one Planner I, three Planner IIs, four Planner IIIs, one Planner IV, one Clerk and two Secretaries. Ms. Kessler reports that these positions are funded entirely from the additional planning fees. Ms. Kessler indicates that these additional permit processing positions are necessary for the present level of permit activity, but would not cover the additional staff needed for the proposed extension. The above listed estimated additional fees proposed for the extension program do not include additional planning fee surcharges, which, as noted above, will be in effect through FY 1993-94.

7. Although the additional fees, which the proposed ordinance would adopt (File 115-91-12), are necessary for supporting the proposed extension are 197 percent higher than the current fees for conditional use permits and 1,445 percent higher than the current fees for building permits, Mr. Passmore indicates that

the proposed increased fees are likely to be minimal compared to the construction costs of bringing buildings into compliance. Mr. Passmore anticipates that any increased fees would not discourage illegal occupants from filing during the extension. The Bureau of Building Inspection believes that the average construction cost for illegal occupants to conform to commercial building standards would be between $30,000 and $40,000.

8. On June 20, 1991, the City Planning Commission passed a resolution which stated that in light of the $257,400 budgetary requirements needed to implement the extension, the Planning Commission could not recommend adoption of the extension to the Board of Supervisors. In addition, the resolution requested that if the Board of Supervisors decides to adopt the proposed ordinance, that the Board should also approve a supplemental appropriation of funds to cover the work program costs and the additional Department personnel. At the September 24, 1991 Economic and Social Policy Committee meeting, the Committee conducted a public hearing on the proposed ordinance (File 115-90-4). However, the Committee requested that the Planning Department submit a supplemental appropriation ordinance which would identify the needed program costs associated with the proposed ordinance (File 115-90-4). The proposed ordinance (File 115-91-12) would increase the fees to cover the work program costs and the additional Department personnel.

9. If the Board of Supervisors approves the proposed ordinances (Files 115-91-12 and 115-90-4), the Department of City Planning intends to submit a supplemental appropriation request for $17,689 in order to begin implementing the program. Ms. Kessler reports that these funds would be used for a .50 FTE Planner and for a .25 Clerical position. Ms. Kessler indicates that the Department anticipates the increased fee revenues would not begin to recoup the initial costs of the program until approximately six months after the program begins. Therefore, the source of funds for this initial supplemental appropriation would be any legally available funds, which would most likely be the General Fund. Ms. Kessler also reports that once the fee revenues are received by the Department, the $17,689 in funds would reimburse the source of funds for the supplemental appropriation request.

Recommendation: Approval of the proposed ordinances (Files 115-90-4 and 115-91-12) are policy matters for the Board of Supervisors.

Items 9 and 10 - Files 53-91-5 and 53-91-5.1

Note: These items were referred from the City Services Committee because they were determined to have fiscal impact on the City.

Department: Department of Public Works (DPW),
Clean Water Program (CWP)

Items: 53-91-5 Resolution adopting final negative declaration, finding and determining that the Islais Creek Pump Station and associated improvements will have no significant impact on the environment, and adopting and incorporating findings of the final negative declaration.

53-91-5.1 Resolution approving the facility plan for the construction of the Islais Creek Pump Station and associated improvements to the Southeast Water Pollution Control Plant.

Description: The City's Clean Water Program has either constructed or is in the process of designing or constructing ten facilities known as the Bayside wastewater facilities that are necessary to comply with the City's National Pollution Discharge Elimination System (NPDES) permit limitations of between one to ten overflows per year for the bayside discharge points. The Bayside wastewater facilities, located along the eastern boundaries of the City, are an independent system of transport, storage, pumping and treatment of sewage with the goal of reducing sewage overflow. These facilities are: the Channel Creek Outfall Consolidation and Transport/Storage, Channel Creek Pump Station, Mariposa Pump Station and Transport/Storage, Islais Creek Creek Transport/Storage, Islais Creek Southside Outfall Consolidation Structure, Griffith Pump Station, Hunters Point Transport/Storage, Yosemite/Fitch Outfall Consolidation Structure, Sunnydale Pump Station and Combined Sewer Overflow Facilities.

The proposed resolution (File 53-91-5) would approve the final Environmental Impact Report (EIR) for the construction of the proposed Islais Creek Pump Station and improvements on the Southeast Water Pollution Control Plant which has been completed by the Department of City Planning. The EIR found that the construction of the proposed Islais Creek Pump Station and improvements on the Southeast Water Pollution Control Plant would have no significant impact on the environment. The proposed resolution (53-91-5.1) would approve the DPW's Bureau of Engineering's facility plan for the construction of the Islais Creek Pump Station and associated improvements on the Southeast Water Pollution Control Plant.

The Islais Creek Pump Station would be located on one of two possible sites near the Southeast Water Pollution Control Plant (see attached maps). Alternative site 'A' would be located within Assessor's Block 5228, on a 2.2 acre site bounded by Evans and Davidson Avenues, Rankin Street and Interstate 280. The pump station would lie partly above and partly below the ground and occupy approximately one-third of the site. Alternative site 'B' would be located within Assessor's Block 5227, on a 2.7-acre site bounded by Evans and Davidson Avenues and Rankin and Quint Streets. The purpose of the Islais Creek Pump Station is to pump wet and dry weather flows from the Islais Creek Transport/Storage and convey them to the Southeast Water Pollution Control Plant. According to Mr. Harold Coffee of the Clean Water Program, site 'B' will most likely be chosen because Site 'A' is owned by the State Department of Transportation (Caltrans). According to Mr. Coffee, purchasing site 'A' from Caltrans would take from one to two years because of the administrative procedures required by the State to purchase State-owned property. Site 'B' is City-owned property.

The Southeast Water Pollution Control Plant is located in the Bayview neighborhood. The plant provides secondary treatment for a maximum of 140 million gallons per day (mgd) of dry weather flow and can treat a maximum wet weather flow of 210 mgd. To accommodate flow from the Islais Creek Pump Station, modifications would be made within the boundaries of the Southeast Water Pollution Control Plant. The improvements would expand wet weather treatment capacity from 210 mgd to 250 mgd.

Comments:

1. The CWP has a supplemental appropriation pending before the Finance Committee requesting approximately $4.5 million in 1991 Sewer Revenue Bond funds to finance the design of the proposed Islais Creek Pump Station, which is expected to begin as soon as the Department receives the funds. The $4.5 million supplemental is calendered for the Rescheduled January 10, 1992 Finance Committee meeting (See Item 11 - File 101-91-30). Construction of the Islais Creek Pump Station is expected to begin in January of 1993 and would take approximately two and one half years at either site. Improvements of the Southeast Water Pollution Control Plant would also take approximately two and one half years.

2. According to Mr. Coffee, the estimated total cost of the proposed two projects is approximately $50 million. The source of funding would be the 1991 Sewer Revenue Bond fund. The Islais Creek Pump Station and the Southeast Water Pollution Control Plant were included in the Capital Improvements Advisory Committee's Six Year Capital Management Plan, FY 1991-96.

3. The Department of City Planning prepared and certified an Environmental Impact Report (EIR) for the proposed projects on October 4, 1991 and determined that the projects would have no significant effect on the environment. The proposed resolution (File 53-91-5) would adopt these findings. The Department of City Planning's finding was partly premised on the locations of the two possible sites for the Islais Creek Pump Station. Each of these sites are currently being used as an auto wrecking yard, with no biological resources present. However, as noted above, Site 'B' will most likely be chosen because Site 'B' is City-owned property.

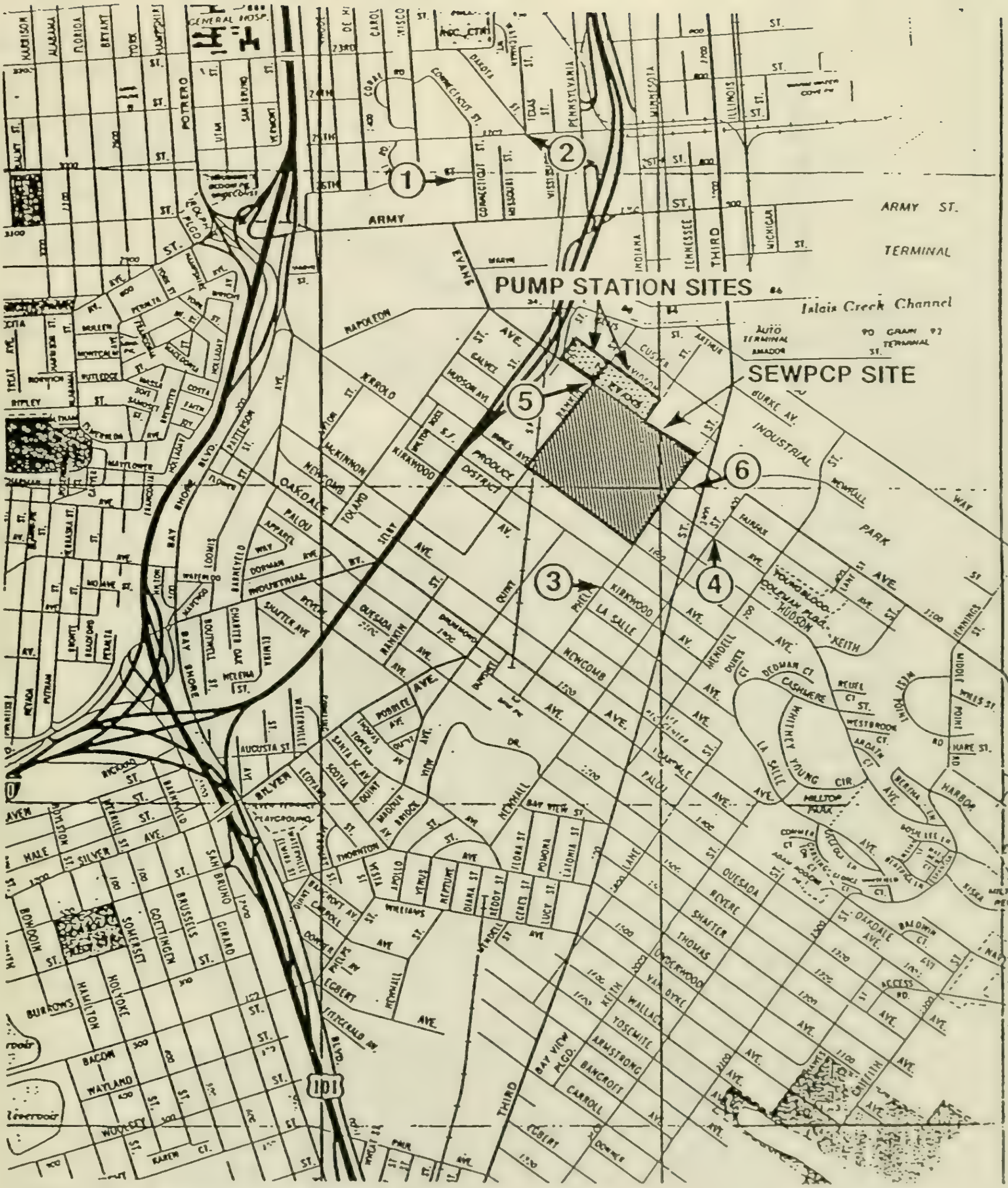
4. As part of the findings of the EIR which the proposed resolution would adopt (File 53-91-5), one of the two auto wrecking and parts businesses currently occupying the two alternative pump station sites would be displaced, along with 7 to 13 employees. The business located on Site 'A' is A&C Auto Parts, and the business located on Site 'B' is M&M Auto Parts. The California Relocation Assistance Act requires that the City offer a business that is displaced by the proposed project with the option of 1) actual relocation assistance, or 2) acceptance of a fixed, in-lieu relocation payment. The two businesses have objected to being relocated.

5. These relocation costs are estimated at approximately $20,000. Therefore, the proposed resolution (File 53-91-5) which adopts the findings of the EIR and the companion resolution (File 53-91-5.1) which approves the facility plan for the construction of the project were determined to have a fiscal impact.

6. In the early 1970s, in response to State and Federal laws, the City developed a long-range plan to construct facilities for control of combined sewer overflows from the City's sewerage system. The Board of Supervisors approved this long-range plan on January 17, 1975.

7. The City Services Committee recommended the proposed resolutions (File 53-91-5 and 53-91-5.1) to the Finance Committee on December 17, 1991.

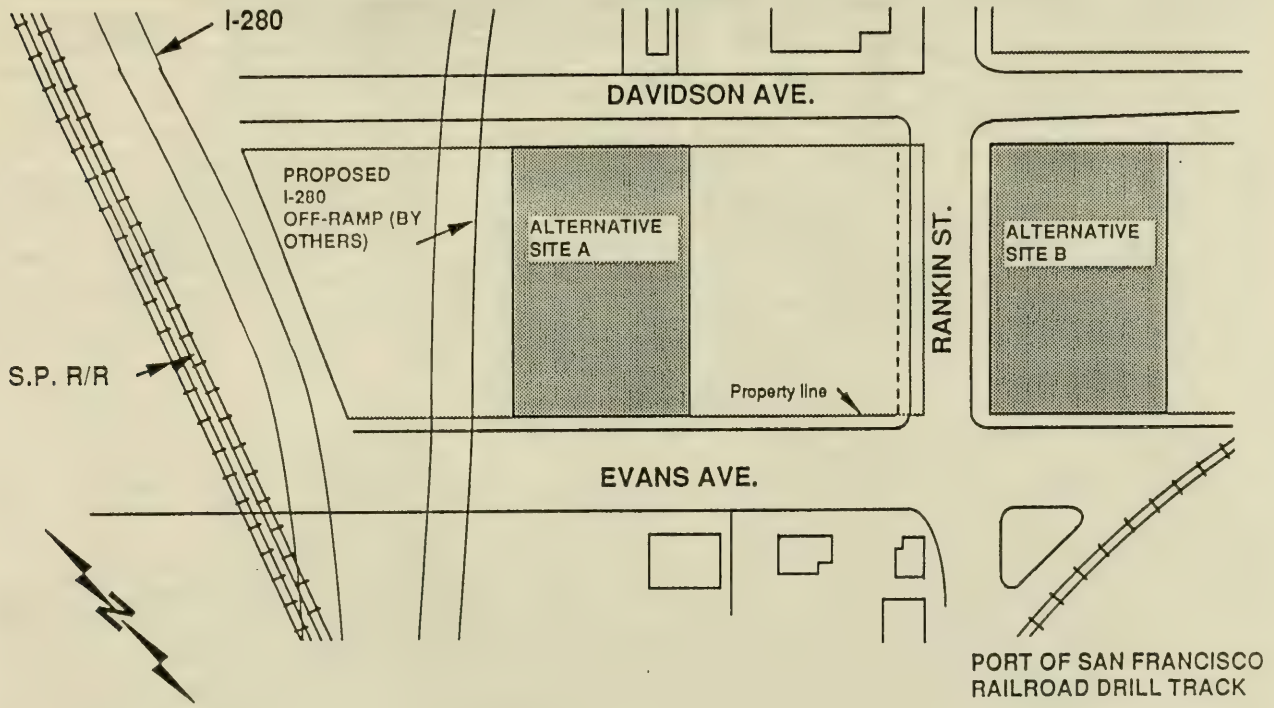
Recommendation: Approve the proposed resolutions (Files 53-91-5 and 53-91-5.1).



NOTE: SEWPCP extends south to Newcomb. Portion of site shown above is the portion where construction activity would occur from proposed project.

SOURCE: AAA AND EIP ASSOCIATES

ALTERNATIVE ISLAIS CREEK PUMP STATION SITE PLANS FIGURE 3A



SOURCE: CITY OF SAN FRANCISCO CLEAN WATER

87228

Item 11 - File 101-91-30

Note: This item was continued at the Finance Committee meeting of December 18, 1991.

Department:	Department of Public Works (DPW) Clean Water Program (CWP)
Item:	Supplemental Appropriation Ordinance for capital improvement project (Islais Pump Station and Southeast Plant Design), Public Works for Fiscal Year 1991-92.
Amount:	$4,491,000
Source of Funds:	1991 Sewer Revenue Bonds

Description: In the early 1970s, the City and County of San Francisco developed a long-range plan to construct facilities for control of combined sewer overflows (CSO) from the City sewerage system. This long-range plan was approved in concept by the Board of Supervisors on January 27, 1975. San Francisco's combined sewer overflow system means the same pipes carry sewage and rainwater runoff. The current storage and treatment system does not have the capacity to handle the volume of sewage that enters the system when it rains more than 0.02 inches per hour. Consequently, excess sewage overflows into Islais Creek 40 times per year on average. These overflows violate National Pollutant Discharge Elimination (NPDE) requirements that limit the overflows to an average of 10 per year.

The DPW proposes to build: 1) a pump station to move the sewage from storage to treatment (Islais Pump Station); 2) improved treatment facilities at the City's Southeast plant. The DPW reports that the benefits from adopting the proposed project 1) would reduce the average excess sewage overflows into Islais Creek from approximately 40 to 10 per year, to meet NPDE requirements, 2) would reduce the public health hazards, 3) would reduce the visible signs of pollution in Islais Creek during wet weather, 4) would reduce odors during and after wet-weather overflows, and 5) would improve the water quality of Islais Creek and the Bay for fishing and other water contact uses. The proposed supplemental appropriation request would fund the design of the pump station and would also fund Southeast plant improvement designs.

Comments: 1. The DPW reports that the proposed funds as originally requested and as now revised would be used as follows:

	Original Request	Revised Request
Contractual Services		
Deleuw Cather	$ 629,864	$629,864
Hydroconsult Engineers	135,000	135,000
Geotechnical (not yet selected)	250,000	250,000
Business Development Incorporated	60,000	60,000
Total Contractual Services	$1,074,864	$1,074,864
DPW Bureau of Engineering	2,664,265	2,883,139
DPW Bureau of Architecture	386,214	423,144
Departmental Work Orders		
DPW Bureau of Water Pollution Control	5,265	5,698
DPW Bureau of Construction Management	38,870	42,740
DPW Subdivision, Surveys and Mapping	18,314	18,315
City Attorney	15,000	15,000
Real Estate	20,000	20,000
Parking and Traffic	15,000	15,000
Art Commission	40,000	40,000
DPW Bureau of Building Inspection	168,000	168,000
Total Departmental Work Order	$320,449	$324,753
Other Direct Costs	45,000	45,000
Total Supplemental Appropriation Request	$4,490,792	$4,750,900

2. As noted above, the total supplemental appropriation revised request is $4,750,900 instead of $4,490,792, which was the amount the Department originally anticipated requesting, or instead of as rounded, $4,491,000, the amount included in the proposed supplemental appropriation ordinance. Mr. Manfred Wong of the DPW reports that the DPW Bureau overhead rates increased in November, 1991 and therefore the funds requested for the DPW Bureaus were adjusted to reflect increased overhead costs. Included in the DPW Bureau overhead rate is Bureau management, clerical, materials, supplies and equipment. A total of $170 million in bond funds were issued in September, 1991, so there are additional bond funds available for the revised request of $4,750,900. Mr. John Madden of the Controller's Office reports that given that the proposed supplemental

appropriation request is for a capital improvement project, the Board of Supervisors can increase the amount requested.

3. Of the above-listed contractors, only Business Development Incorporated is a City-certified MBE firm. Mr. Wong reports that all of the above-listed consultant contracts would be performed as part of the consultant's on-going master contracts with the Clean Water Program.

4. As noted above, the geotechnical consultant has not yet been selected by the DPW. Therefore, the $250,000 budgeted for a geotechnical consultant should be reserved pending the selection of a contractor and finalized cost details.

5. The $629,864 budgeted for consultant services provided by Deleuw Cather would include project management services, permits and approval processing, scheduling and monitoring of the proposed project, cost estimation, preparing plans and specifications, value engineering services, constructability analysis and the development of an operations manual.

6. The $60,000 budgeted for consultant services to be provided by Business Development Incorporated funds for 830 hours of staff time at an average hourly rate of $72 would be used to organize and arrange public meetings, and for providing liaison services with the community affected by the construction of the proposed Islais Pump Station.

7. The $2,883,139 budgeted for the DPW's Bureau of Engineering would be used for approximately 49,774 hours of staff time and Bureau overhead based on an average hourly rate of $58. Existing staff would be used on an in-house basis to provide services which include project management services, to develop design criteria, estimate costs, prepare plans and specifications, value engineering services, constructability analysis and operations manual development.

8. The $423,144 budgeted for the DPW's Bureau of Architecture would be used for approximately 6,376 hours of staff time and Bureau overhead based on an average rate of $66 per hour. Existing staff would be used to assist in the permit approval process, to attend public meetings, to estimate costs and to prepare architectural plans and specifications.

9. The $5,698 budgeted for the DPW's Bureau of Water Pollution Control would be used for approximately 104 hours of staff time and Bureau overhead based on an average

hourly rate of $55. Existing staff would be used to assist with preparing plans and specifications.

10. The $42,740 budgeted for the DPW's Bureau of Construction Management would be used for approximately 520 hours of staff time and Bureau overhead based on an average of $82 per hour. Existing staff would be used to review cost estimates, to review plans and specifications and to review constructability analysis.

11. The $18,315 budgeted for the DPW's subdivision, Surveys and Mapping would be used for approximately 385 hours of staff time and administrative costs including clerical support, materials and supplies. Existing staff would be used to complete surveys and maps for project design.

12. The $15,000 budgeted for the City Attorney's Office would be used for approximately 146 hours of staff time at an average hourly rate of $103 per hour. Existing staff would be used to perform legal development and to review plans and specifications relative to environmental requirements, assist with permits and approvals and general legal services.

13. The $20,000 budgeted for the Real Estate Department would be used for approximately 280 hours of staff time at an average hourly rate of $71 per hour. Existing staff would be used to assist with the relocation of the auto wrecker tenant currently located at the proposed Islais Pump Station, including property acquisition services.

14. The $15,000 budgeted for the Department of Parking and Traffic would be used for approximately 168 hours of staff time at an average hourly rate of $89 per hour. Existing staff would be used to assist with the preparation of plans and specifications.

15. The $40,000 budgeted for the Art Commission would be used for the development of an art enrichment program (non-labor) for the exterior design of the proposed facility.

16. The $168,000 budgeted for the DPW's Bureau of Building Inspection (BBI) would be used for the following BBI permits and fees:

Plan Check Fee	$ 58,000
Building Permit	105,000
Firecheck Fee	2,000
Expediting Fee (Priority Inspection)	3,000
Total	$168,000

17. The $45,000 budgeted for Other Direct Costs would be used for administrative and printing costs associated with preparing plans and specifications.

18. The City Services Committee approved two resolutions related to the Islais Pump Station, a resolution (File 53-91-5) which would adopt the findings of the final negative declaration of the Environmental Impact Report and a resolution (File 53-91-5.1) approving the facility plan for the construction of the Islais Pump Station. These items were determined to have a fiscal impact, and therefore will be heard at the rescheduled January 10, 1992 Finance Committee meeting (See items 9 and 10, Files 53-91-5 and 53-91-5.1).

Recommendations: 1. Amend the proposed ordinance to appropriate $4,750,900 in funds rather than $4,491,000, as indicated on the proposed ordinance.

2. Amend the proposed ordinance to reserve the $250,000 budgeted for the geotechnical consultant pending the selection of contractors and finalized cost details.

3. Approve the proposed ordinance as amended.

Items 12 and 13 - Files 101-91-33 and 102-91-13

Department: Department of Public Health (DPH)

Items: Supplemental Appropriation Ordinance appropriating $14,053 for permanent salaries - miscellaneous, rescinding $14,053 from permanent salaries - miscellaneous, for the creation of one position and the deletion of one position (File 101-91-33).

Ordinance amending the Annual Salary Ordinance for 1991-92 to reflect the addition of one position and the deletion of one position in the Department of Public Health, Central Office, to reflect changes in the State budget as a result of realignment and reauthorization of Proposition 99 (File 102-91-13).

Description: The State Legislature, in late 1991, strengthened the provisions of the Child Health and Disability Prevention (CHDP) Follow-up Treatment Mandate. CHDP is a State-funded fee-for-service program which provides well-child exams (check-ups). In order to receive Proposition 99 funds, the State requires counties to provide treatment for children referred from well-child exams and to document that treatment was received. CHDP health care referrals are usually for non-catastrophic illness, particularly dental care and the need for eyeglasses. The DPH assumes that the majority of follow-up care is provided by the physician who conducts the well-child exam, by City clinics, or through reimbursements from the California Health Care for Indigents Program, but no system for tracking follow-up care is in place.

The proposed ordinances would enable the DPH to add one 2588 L Health Worker IV, at an annual salary of $31,242 to $37,845, and to eliminate one 1720 Data Entry Operator, at an annual salary of $20,671 to $24,952. This substitution would allow the DPH to set up and maintain a tracking system for children referred from well-child exams. This substitution would also result in an annual salary increase at the top step of $12,893, not including fringe benefits.

Comments: 1. The Department requests that the proposed two items (Files 101-91-33 and 102-91-13) be recessed to the January 15, 1992 Meeting.

2. According to Ms. Ehrlich, approximately 20,000 children will receive well-child exams in 1991-92, of which approximately 1,500 will be referred for further treatment. The proposed Health Worker IV would set up a computerized database for tracking the approximately 20,000 children who receive well-child exams to record those who are referred for future treatment, tracking the approximately 1,500 children

in need of further care, ensuring that follow-up treatment is received for those 1,500 children through follow-up contacts with the children's families and health care providers, and reporting to the State.

3. The total annual cost of the 2588 L Health Worker IV, at $37,803 to $45,792, including fringe benefits, is $12,791 to $15,600 more than the annual cost of a 1720 Data Entry Operator, at $25,012 to $30,192, including fringe benefits.

4. The DPH anticipates filling the requested new position by mid-February 1992, with approximately nine pay periods remaining until the end of the fiscal year. The cost for the position upgrade for nine pay periods, from mid-February to June 30, 1992, would be as follows:

2588 Health Worker IV	
Salary ($1,197 x 9)	$10,773
Fringe Benefits @ 21 percent	2,262
2588 Health Worker IV Total	$13,035
1720 Data Entry Operator	
Salary ($792 x 9)	$7,128
Fringe Benefits @ 21 percent	1,497
2588 Health Worker IV Total	$8,625
Total additional cost ($13,035 less $8,625)	$4,410

The Data Entry Operator position that is proposed to be eliminated is currently vacant, the DPH reports.

5. The source of funds for the proposed Health Worker IV would be reallocated Proposition 99 administrative funds.

6. The proposed supplemental appropriation (File 101-91-33) would reappropriate $14,053 in permanent salaries. However, the cost of a 2588 Health Worker IV for nine pay periods would be $13,035, or $1,018 less, than the proposed $14,053. Therefore, the proposed supplemental appropriation should be reduced by $1,018.

7. According Ms. Ehrlich, if the City does not meet the strengthened requirements of the CHDP through the substitution of a Health Worker IV for a Data Entry Operator, the City is at risk of losing Proposition 99 funds, at $12.4 million for 1991-92. Ms. Susan Ehrlich of the DPH advises that the State has announced that the State is required to conduct three audits per year in each county through a random sample of clients to enforce the strengthened requirements.

Recommendation: Recess the proposed ordinances to the January 15, 1992 Finance Committee Meeting.

Item 14 - File 101-91-34

Department: Sheriff's Department

Item: Supplemental Appropriation Ordinance appropriating funds for Professional Services - Proposition J

Amount: $667,685

Source of Funds: General Fund - Trial Court Funding Subvention

Description: The proposed supplemental appropriation would fund approximately ten months of the Own Recognizance (OR) Project. The OR Project has been in existence for over 20 years and is a component in preventing overcrowding at the County Jail. The OR Project staff interviews persons in custody, verifies information gained in the interview process and then relays that information to the judge. In addition, OR Project staff follow up on persons who have been released on their own recognizance, reminding them of court dates and keeping records of their attendance.

The estimated 1991-92 annual cost for the San Francisco OR Project is $799,685. The 1991-92 Sheriff's Department budget provided $66,000 for operation of the OR Project for approximately one month, July, 1991. In August, 1991 the Board of Supervisors approved a $66,000 supplemental appropriation ordinance (File 101-91-5) for the Sheriff's Department to fund the OR Project for approximately one more month, August, 1991. The OR Project was budgeted in the Municipal Court in fiscal year 1990-91. No funds were budgeted by the Municipal Court for the OR Project in fiscal year 1991-92. As a result, the Finance Committee reserved $733,045 (representing 11 months of the OR Project costs not budgeted in the Sheriff's budget) of the 1991-92 Municipal Court salary budget pending determination of the appropriate department to sponsor the OR Project and identification of a funding source for the OR Project for the remaining 11 month period.

The Mayor's Office has decided that the appropriate location for the OR Project budget is within the Sheriff's Department and the proposed $667,685 supplemental appropriation would provide funding for the OR Project for the approximate ten months balance of fiscal year 1991-92 between September, 1991 and June, 1992 (funding for July and August, 1991 has already been appropriated) in the Sheriff's Department.

The total estimated 1991-92 budget for the OR project is as follows:

Personnel	FTE		
Director	1.0	$65,004	
Supervisors	3.0	95,508	
Pre-Trial Investigators	14.5	426,696	
Office Mgr.	1.0	32,400	
Part Time Clerk	0.6	9,996	
Subtotal	20.1	$629,604	
Fringe Benefits @ 17.5		110,453	
Total Personnel			$740,057
Insurance			7,476
Travel			
Local Travel and Parking		$1,404	
Conferences		1,008	
Total Travel			$2,412
Materials and Supplies			
Office Supplies		$6,948	
Postage		1,008	
Printing		1,896	
Fax Paper		2,016	
Total Materials and Supplies			11,868
Equipment			6,528
Operating Costs			
Rent		$9,600	
Utilities		2,220	
Janitorial		1,440	
Telephone		10,968	
Total Operating Costs			24,228
Professional Services			
Audit		$1,008	
Bookkeeping		5,400	
Legal		708	
			7,116
Total OR Project Annual Budget			$799,685

Comments:

1. San Francisco County is currently under a Federal Court Order to maintain the population of County Jail #1 below 426 inmates per day. On December 12, 1991 the Federal Court ordered that San Francisco will be charged a penalty of $300 per day for each prisoner in County Jail #1 above the 426 limit, beginning January 1, 1992. Lt. Jan Dempsey of the Sheriff's Office reports that the cost of housing an inmate in jail for one day is approximately $59. Thus, the total cost per inmate above the 426 ceiling is $359 per day, including the penalty.

2. Lt. Dempsey estimates that approximately 1,300 people are released on their own recognizance on any given day. Because the population of County Jail #1 sometimes exceeds the 426 ceiling, in theory, the potential cost to the City of discontinuing the OR Project would be approximately $466,700 per day ($359 multiplied by 1,300 inmates per day). However, the actual cost to the City would be much higher, because existing facilities cannot house 1,300 additional inmates and new jails would need to be constructed.

3. According to Lt. Dempsey, there has been no interruption of OR Project services pending approval of this proposed supplemental appropriation because the OR Project contractor has been operating on their own reserves and on a $135,560 advance from the Sheriff's Office. The $135,560 advance was based on the estimated cost of the OR Project through October, 1991, not including the $66,000 included in the Sheriff's budget and the $66,000 subsequently appropriated. The source of funds for the $135,560 advance was the 1991-92 Other Services budget for the Sheriff's Office. Lt. Dempsey indicates that the proposed supplemental appropriation would replenish the Other Services budget that will run out of funds by April, 1992 for services such as garbage, sewer and telephone that would not be paid beyond April, 1992 if a supplemental appropriation is not approved.

4. Lt. Dempsey advises that the fiscal year 1990-91 payment agreement between the Municipal Court and the OR Project contractor stipulated quarterly payments in advance, and that when funding for the full year is appropriated to the Sheriff's Department, the Sheriff's Department will continue to pay the contractor according to the same quarterly prepayment agreement.

5. According to the Human Rights Commission, the San Francisco Institute for Criminal Justice, the OR Project contractor, is a non-profit organization.

6. The proposed source of funds for this supplemental appropriation is an increase in the General Fund, Trial Court Funding Subvention from the State for 1991-92. The 1991-92 City budget included an estimate of $13.8 million for Trial Court Funding Subvention revenue. The Controller's Office reports that more recent information from the State indicates that the City will receive over $1.0 million in additional Trial Court Funding Subvention revenue for a total of over $14.8 million of Trial Court Funding in 1991-92, which provides the source for the proposed supplemental appropriation.

7. As previously noted, the Finance Committee placed $733,045 of the Municipal Court's 1991-92 salary budget on reserve during the City budget hearings pending the determination of the appropriate department to sponsor the OR Project and identification of a funding source for the remaining 11 months of fiscal year 1991-92 (approximately one month of funding for July, 1991 was included in the Sheriff's budget). Approximately one month of funding for August, 1991 was provided by the previous supplemental appropriation and the proposed supplemental appropriation would provide approximately ten months of funding for September, 1991 through June, 1992. If the proposed supplemental appropriation is approved by the Board of Supervisors, the conditions for that reserve, including determination of the appropriate department to sponsor the OR Project and identification of a funding source, will have finally been met and the reserve can be released.

8. Lt. Dempsey requests that this supplemental appropriation ordinance be heard by the full Board of Supervisors on January 13, 1992 so that the Sheriff's Department will not have to incur any more of its own funds to pay the OR Project Contractor. If the Finance Committee wants to expedite this supplemental, the Committee should refer this legislation as a Committee report to the Board of Supervisors for hearing on January 13, 1992.

Recommendations: 1. Approve the proposed supplemental appropriation ordinance and refer the legislation as a Committee report to the Board of Supervisors.

2. Direct a letter to the Controller's Office to release the reserve on $733,045 of the Municipal Court's salary budget.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 15 - File 101-91-35

Departments:	City Attorney Mayor's Office
Item:	Supplemental Appropriation Ordinance for litigation expenses for the City Attorney.
Amount:	$25,000
Source of Funds:	General Fund - General Reserve

Description: The Board of Supervisors previously approved legislation (File 43-91-6) which supported the Mayor's action to challenge the U. S. Commerce Secretary's refusal to revise the 1990 U.S. Census population figures, despite evidence that more than 5 million persons nationwide were overlooked in the original count.

The 1990 Census determined that the population of the City and County of San Francisco is 723,959. However, a subsequent survey conducted by the Census Bureau found that the original Census undercounted the population by 33,000 in San Francisco. This subsequent survey indicated that the undercounts were disproportionately distributed, with the inner city residents and minorities more likely to be undercounted.

The Mayor, through the City Attorney's Office, is pursuing a legal challenge of the U.S. Commerce Secretary's decision, in conjunction with other cities and counties, based on the impact such a decision has on the residents of San Francisco. The proposed $25,000 represents the City's estimated share of the legal costs for the class action suit. Mr. Scott Emblidge of the City Attorney's Office reports that the following public entities in California have entered into the class action suit along with the City and County of San Francisco:

	Amount of Contribution
City of Los Angeles	$300,000
County of Los Angeles	100,000
County of San Bernardino	25,000
Inglewood	15,000
Long Beach	25,000
Oakland	25,000
Pasadena	25,000
San Jose	25,000
San Francisco	25,000
Total	$565,000

Comments:

1. The City of Los Angeles is serving as the primary coordinator of the class action suit in California. Ms. Jessica Heinz of the Los Angeles City Attorney's Office reports that it is anticipated that the class action suit will be scheduled for trial court by February of 1992. According to Ms. Heinz, San Francisco's share of legal costs would not exceed the proposed $25,000. The $25,000 would be paid to the City of Los Angeles. Ms. Heinz advises that these monies would be used to pay a portion of the costs for expert witnesses.

2. Ms. Heinz advises that a number of public entities outside of California are participating in the class action suit, most notably the City of New York, which is acting as the primary coordinator of the class action suit at the national level. Ms. Heinz reports that with the exception of the City and County of Los Angeles and the City of New York, all participants in the class action suit were requested to contribute $25,000 as their estimated share of costs.

3. Mr. Emblidge reports that should the class action suit receive an unfavorable ruling by the court, it is very likely that the case would be appealed. However, according to Mr. Emblidge, the City is under no obligation to participate in such an appeal.

4. The following is a list of funding the City receives that is in whole or in part based on data from the U.S. Census:

- **Community Development Block Grant (CDBG)**-- Based on a formula that considers the low-income population, the number of housing units and the number of dilapidated housing units. The City received approximately $16.6 million in calender year 1991.

- **Job Training Partnership Act Funds (JTPA)**-- Funding is based on the number of unemployed persons and the number of persons in poverty that are, in part, provided by the Census. Ms. Eunice Elton of the Private Industry Council reports that the 1990 Census undercount could result in the City receiving approximately $350,000 less in JTPA funds.

- **Highway Act Funds (HAF)**-- Funding for street maintenance or new road projects which is based, in part, on Census counts. HAF funds are project specific.

- **Federal Aid Urban Funds (FAU)**-- Funds are distributed for resurfacing projects which are based, in part, on Census counts. The City receives approximately $3 million annually in FAU funds.

- **Cigarette Tax--** Collected by the State and distributed back to the counties based on population and the local sales tax rate. The City budgeted approximately $2.2 million in Cigarette Tax monies for FY 1991-92.

- **Gasoline Tax--** Collected by the State and distributed back to the cities based on population and to the counties based on the number of vehicle registrations. The City budgeted approximately $18.8 million in Gas Tax revenues for FY 1991-92.

- **Motor Vehicle License Fee--** Distributed to the counties based entirely on population. The City budgeted approximately $63.6 million in Motor Vehicle License Fee revenue for FY 1991-92.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Kent Sims
Ted Lakey

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#1
1/15/92

CALENDAR - ACTION TAKEN

DOCUMENTS DE

MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 15, 1992 – 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: BARBARA STAVRO–TAYLOR

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

   a. File 28–91–14. [Emergency Repair] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace the sewer in the basement in Block 2841 between Castenada Avenue and Laguna Honda Boulevard. (Department of Public Works)

   b. File 38–92–3. [Acceptance of Gift] Resolution accepting a gift of $5,000,000 from the Corporation of the Fine Arts Museum for master plan improvements to the California Palace of the Legion of Honor; expressing appreciation to the Corporation of the Fine Arts Museum and to John and Dodie Rosekrans. (Supervisor Gonzalez)

   c. File 68–91–7. [Juvenile Justice – Delinquency Prevention Grant] Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept and expend funds in the amount of $6,645 made available through the Office of Criminal Justice Planning for a project entitled "1991/92 JJDP Planning Grant" and agreeing to provide local matching funds in the amount of $6,645. (Mayor)

   d. File 68–91–8. [Juvenile Justice – Delinquency Prevention Grant] Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept and expend funds in the amount of $47,376 made available through the Office of Criminal Justice Planning for a project entitled "Chinatown Youth Center". (Mayor)

   e. File 172–91–20. [Indemnification Agreement] Resolution authorizing an Indemnification Agreement with the Southeastern Pennsylvania Transportation Authority (SEPTA) for the purchase of nineteen (19) surplus P.C.C. Type Streetcars. (Public Utilities Commission)

ACTION: Items 1c, 1d, 1e severed. Remainder Recommended (1a, 1b)

Item 1c, File 68-91-7. Amended. Recommended as Amended. "Authorizing the Mayor of the City and County of San Francisco to apply for and retroactively accept and expend funds in the amount of $6,645 which will include indirect costs of $166 or 2.5% made available through the Office of Criminal Justice Planning for a project entitled "1991/92 JJDP Planning Grant" and agreeing to provide local matching funds in the amount of $6,645."

Item 1d, File 68-91-8. Amended. Recommended as Amended. "Authorizing the Mayor of the City an County of San Francisco to apply for accept and expend funds in the amount of $47,376 made available through the Office of Criminal Justice Planning for a project entitled "Chinatown Youth Center" and waiving indirect costs."

Item 1e, File 172-91-20. Recommended.

REGULAR CALENDAR

2. File 100-91-7. Hearing to consider the status of the City's economic vitality and business climate. (Supervisors Gonzalez, Migden, and Shelley)

ACTION: CONTINUED TO JANUARY 22, 1992

3. File 127-91-15. [Business/Payroll Tax Credits] Ordinance amending Article 12-A of Part III of San Francisco Municipal Code (Payroll Expense Tax Ordinance) by adding Section 906A thereto to provide tax credits for persons who maintain a fixed place of business within the San Francisco Enterprise Zone and who create new jobs and hire employees qualified under specified government jobs programs; and amending Article 12-B of Part III of the San Francisco Municipal Code (Business Tax Ordinance) by adding Section 1005.5 thereto to provide certain tax credits for persons who maintain a fixed place of business within the San Francisco Enterprise Zone and who create new jobs and hire employees qualified under specified government jobs program; operative date. (Supervisors Hallinan, Kennedy, Gonzalez)

ACTION: AMENDED. RECOMMENDED AS AMENDED. (See file for details.)

4. File 101-91-42. [Government Funding] Ordinance appropriating $1,793,764, Retirement System, for other contractual services, services of other departments - Controller-Data Processing and non-work order services of other departments - City Attorney. RO #91133 (Controller)

ACTION: AMENDMENT OF THE WHOLE ADOPTED. "Appropriating $1,733,764, Retirement System, for other contractual services, services of other departments - Controller-Data Processing and non-work order services of other departments - City Attorney, providing for ratification of action previously taken; placing $52,500 on reserve." RECOMMENDED AS AMENDED.

5. File 97-91-56. [Public Health Membership List] Ordinance amending Administrative Code by amending Section 16.6-10 thereof, adding certain organizations to the membership list of the Department of Public Health. (Department of Public Health)

   ACTION: HEARING HELD. TABLED.

6. File 97-91-57. [Amnesty-Surrender of Firearms Program Special Fund] Ordinance amending Administrative Code by adding Section 10.117-105, thereto, establishing a special fund for the receipt and expenditure of funds for the amnesty-surrender of firearms. (Police Commission)

   ACTION: AMENDED. RECOMMENDED AS AMENDED. "Amending Administrative Code by adding Section 10.117-105, thereto, establishing a special fund for the receipt anbd expenditure of funds solely for the amnesty-surrender of firearms." (See file for details.)

7. File 101-91-31. [Government Funding] Ordinance adjusting revenue and expenditure appropriations for Public Health Department in the General Fund, Tobacco Tax Fund, Health and Welfare Realignment Fund, Hospital Operating Fund and Laguna Honda Operating Fund, reflecting revenue adjustments, for Fiscal Year 1991-92 resulting from State Budget adoption. RO #91089. (Controller)

   ACTION: RECOMMENDED.

8. File 101-91-32. [Government Funding] Ordinance adjusting revenue and expenditure appropriations for the Department of Social Services in the General Fund, Welfare Assistance and Administration Fund and Health and Welfare Realignment Fund, reflecting revenue adjustments, resulting from State Budget adoption for Fiscal Year 1991-92. RO #91090. (Controller)

   ACTION: RECOMMENDED.

9. File 101-91-39. [Government Funding] Ordinance appropriating $3,267,448, Department of Social Services, for various purposes, for the creation of ninety-three (93) positions, reflecting revenue adjustments; companion to File 102-91-14. RO #91091 (Controller)

   ACTION: RECOMMENDED.

10. File 102-91-14. [Public Employment] Ordinance amending Annual Salary Ordinance No. 304-91, Department of Social Services, reflecting the addition of ninety-three (93) positions. (Civil Service Commission)

    ACTION: RECOMMEND.

11. File 128-91-3. [County Hazardous Waste Management Plan] Resolution approving the County Hazardous Waste Management Plan and the Environmental Impact Report Mitigation Measures. (Chief Administrative Office)

(Recommended from City Services 1/7/91 – Fiscal Impact)

ACTION: RECOMMENDED.

12. File 100-91-1.15 [Release of Funds] Requesting release of funds placed on reserve in fiscal year 1991-92 budget for various positions for the Port of San Francisco. (Supervisor Gonzalez on behalf of the Port)

ACTION: CONTINUED TO CALL OF THE CHAIR AT REQUEST OF THE PORT.

SF
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1/15/92

Public Library, Documents Dept.
ATTN: Gerry Roth

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 13, 1992

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TO: Finance Committee

FROM: Budget Analyst

SUBJECT: January 15, 1992 Finance Committee Meeting

Item 1a - File 28-91-14

Department: Department of Public Works (DPW)

Item: Resolution finding and declaring the existence of an emergency and authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace the sewer in the basement in Block 2841 between Castenada Avenue and Laguna Honda Boulevard.

Amount: $180,000

Source of Funds: Repair and Replacement Fund

Description: The main sewer, located in the sewer easement in the backyard areas between Castenada Avenue and Laguna Honda Boulevard, collapsed on October 28, 1991, flooding adjacent private property with sewage, and must be replaced.

Comments: 1. In accordance with Section 6.30 of the Administrative Code, Mr. Henry Anderson of the DPW reports that because of the emergency situation, the DPW did not put the construction contract out to bid. Mr. Anderson indicates that instead, the DPW contracted with Coastal Construction, a sub-contractor for pipeline work on a current project, under an expedited contracting procedure, as is permitted under Section 6.30. Coastal Construction is an MBE firm. Mr. Anderson advises that the total cost of the electrical repair work would be approximately $180,000.

2. Mr. Anderson indicates that the repair work began on November 13, 1991 and will be completed approximately January 3, 1992, unless trees must be cut down to continue repairs.

3. Mr. Anderson advises that the DPW has worked in cooperation with the neighborhood during the clean-up and repair of the sewer, and that residents seem satisfied with the DPW's work. According to Mr. Anderson, the collapse of the sewer was caused by root intrusion from the backyards.

Recommendation: Approve the proposed resolution.

Item 1b - File 38-92-3

Department: Fine Arts Museums

Item: Resolution accepting a gift of up to $5,000,000 from the Corporation of the Fine Arts Museums for Master Plan Improvements to the California Palace of the Legion of Honor, and expressing appreciation to the Corporation of the Fine Arts Museums and to John and Dodie Rosekrans.

Description: The Fine Arts Museums reports that the Corporation of the Fine Arts Museums has offered to donate a gift of up to $5,000,000 for Master Plan improvements to the California Palace of the Legion of Honor. The Fine Arts Museums is proposing to utilize these privately donated funds to make Master Plan improvements to the California Palace of the Legion of Honor consisting of new underground galleries, a storage fault, loading dock, and other facilities.

Comments: 1. The Corporation of the Fine Arts Museums (COFAM) is a 501(c)(3) not for profit corporation organized by the Board of Directors of the Fine Arts Museums to receive private donations and gifts.

2. The California Palace of the Legion of Honor will undergo renovations funded by 1989 Proposition A bond funds in the amount of $11,232,000. The Board of Trustees of the Fine Arts Museums wishes to simultaneously undertake other building improvements, known as Trustee Improvements, in order to minimize future disruptions of the Museums' activities.

3. COFAM has undertaken a fund-raising campaign to finance the Trustee Improvements, which will cost $18.5 million. The fund-raising campaign has been directed by John and Dodie Rosekrans. According to Mr. Harry Parker, Director of the Fine Art Museums, $9 million has been pledged to the campaign to date. The proposed resolution authorizes acceptance of up to $5,000,000 from COFAM.

4. The $11,232,000 renovations authorized under Proposition A and the $18.5 million Trustee Improvements are described in the Memorandum of Understanding of December 10, 1990 between the Fine Arts Museums, the Director of Public Works, and the Controller. The MOU improvements totalling an estimated $29.7 million will be consolidated and awarded as a single contract. Both the Proposition A and Trustee Improvements will include the following items:

Proposition A Bond Funds		
Seismic Upgrading		$7,486,000
Asbestos Abatement		354,000
Disabled Access		317,000
Condition Repairs		17,000
Relocation Funds		
Off site leases/tenant improvements	930,300	
Drayage/trucking	1,100,000	
Packing and protection	400,000	
Re-installation	360,000	
Relocation subtotal		2,790,300
Other		267,700
Proposition A Bond Funds Total		$11,232,000
Trustee Improvements		
New Additions (six exhibition galleries, storage vault, loading dock)		9,565,000
Remodeling/Relocation (restaurant, bookstore, Print and Drawing Dept., including handicapped access to theatre)		4,186,000
Millwork (built in fixtures/carpentry)		1,022,000
Sitework		1,001,000
Furniture, Fixtures and Fees (Trustee shares of architecture, engineering, project management, etc.)		2,726,000
Trustee Improvements Total		$18,500,000

5. The MOU stipulates that an itemized construction budget and time schedule will be prepared by the Fine Arts Museums, with approval of the Department of Public Works (DPW), showing all total estimated costs for the joint project, including estimated costs allocated from the Bond Program Fund and the Trustee Improvement funds identified separately. The construction budget and time schedule must be provided to DPW before the construction contract can be advertised.

6. To ensure that private funds are available to pay the costs of the Trustee Improvements, the MOU stipulates that the construction contract will not be advertised or awarded by the Fine Arts Museums, as the contracting authority, until the Controller and Director of Public Works have agreed and the Controller has certified that private funds are available in amounts sufficient to pay the costs of the Trustee Improvements. The Controller and Director of Public Works must also provide written authorization to the Fine Arts

Museums to advertise and award the construction contract. This arrangement has been agreed upon through the MOU to ensure that the City will incur no construction costs for the Trustee Improvements.

7. According to Mr. Parker, COFAM expects to raise the full $18.5 million for Trustee Improvements by July 1992.

According to Mr. Parker and the City Attorney's Office, acceptance of the $13.5 million remainder of the $18.5 million COFAM gift ($18.5 million cost less the $5.0 million proposed gift) will be the subject of subsequent resolutions to be approved by the Board of Supervisors.

Recommendation: Approve the proposed resolution.

Item 1c - File 68-91-7

Department:	Mayor's Criminal Justice Council (MCJC)
Item:	Resolution authorizing the Mayor's Office to apply for, accept and expend $6,645 in Federal grant funds and agreeing to provide local matching funds in the amount of $6,645.

Amount:

Federal grant	$6,645
Local match	6,645
Project Total	$13,290

Source of Grant:	Federal funds - through the California Office of Criminal Justice Planning (OCJP)
Grant Period:	October 1, 1991 through September 30, 1992
Project:	1991-92 Juvenile Justice and Delinquency Prevention (JJDP) Planning Grant
Project Description:	The Mayor's Criminal Justice Council (MCJC) coordinates the City's planning efforts for juvenile justice programs. The MCJC is responsible for planning, monitoring and administering the City's Juvenile Justice and Delinquency Prevention (JJDP) funds which are allocated through the State Office of Criminal Justice Planing (OCJP). MCJC staff provide technical assistance, process grant applications and monitor the San Francisco Educational Services JJDP-funded program.

Project Budget:

	Federal Grant	Local Match	Total
Personnel			
Criminal Justice Specialist II (.29 FTE)	$6,069	$6,069	$12,138
Operating Expenses			
Travel	344	344	688
Audit	66	66	132
Indirect Costs (2.5% of Federal share)	166	166	332
Total	$6,645	$6,645	$13,290

Required Match: $6,645, funded through the General Fund and included in the Mayor's Office FY 1991-92 budget.

Indirect Costs: $166 or approximately 2.5 percent of the Federal grant funds.

Comments:

1. Ms. Joyce Smith of the MCJC reports that if this OCJP grant is reduced or eliminated, project services as well as the above-listed .29 FTE position would also be reduced or eliminated.

2. Ms. Smith reports that although the grant period began on October 1, 1991, the Department has not yet applied for this Federal grant. According to Ms. Smith, the Department received the application guidelines on December 9, 1991 and the deadline to apply for these funds is January 15, 1992. However, Ms. Smith indicates that services have continued to be provided since October 1, 1991, funded through other available grant funds. Ms. Smith indicates that the proposed legislation should therefore be amended to authorize the MCJC to accept and expend the Federal grant funds retroactively.

3. As noted above, $166 in Federal grant funds would be used for indirect costs. Therefore, the title of the proposed resolution should be amended to indicate that indirect costs in the amount of $166, or 2.5 percent of the Federal grant, would be included in the Federal grant. The body of the proposed resolution already indicates that indirect costs are included as part of the proposed grant award.

4. The proposed Federal grant funds of $6,645 is $299 greater, or approximately 4.7 percent more than the FY 190-91 Federal grant award of $6,346.

5. The MCJC has completed a disability access checklist which is in the file.

6. Attached is the "Summary of Grant Request" as prepared by the Mayor's Office, for the proposed grant funds.

Recommendations

1. Amend the proposed legislation to authorize the Mayor's Office to accept and expend the Federal grant funds retroactively.

2. Amend the title of the proposed resolution to indicate that indirect costs in the amount of $166, or 2.5 percent of the Federal grant, would be included as part of the proposed grant award.

3. Approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item No. ______ MAYOR - Summary of Grant Request

Rev. 4/10/90

Grantor: Office of Criminal Justice Planning
Contact Person: Mary Wandschneider
Address: 1130 K Street, Suite 300
Sacramento, CA 95814
Amount Requested: $ 6,645.00
Term: From 10/01/91 To 09/30/92

Division: MAYOR
Section: Criminal Justice Council
Contact Person: Joyce O. Smith
Telephone: (415) 554-6561
Application Deadline: State Allocation
Notification Expected: Received

______ Board of Supervisors: Finance Committee ______
Full Board ______

I. Item Description: (Circle appropriate words)
Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $ 6,645.00 from the period of 10/01/91 to 09/30/92 to provide Research, Planning and Monitoring services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)

The Mayor's Criminal Justice Council is the Regional Planning Unit for the City and County of San Francisco. This office coordinates the City's criminal justice planning efforts to impact youth problems, is responsible for the annual allocation of JJDP funds from the State, and is also responsible for the Comprehensive Criminal Justice Plan for JJDP funds each year in accordance with the OCJP schedule.

III. Outcomes/Objectives:

Staff collects and analyzes data pertaining to the Youth Services/AB 90 Task Force on a year round basis to identify problems and needs. Based on the findings staff makes recommendations to the Task Force taking into consideration the priorities set forth by this body. Staff coordinates meetings, develop project objectives, provide technical assistance, process grant applications and monitor all JJDP programs.

IV. Effects of Reduction or Termination of These Funds:

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount	$5,832	$6,346	$6,645	+4.7%	$6,645	
Personnel	5,284	5,780	6,069	+5.0%	6,069	
Equipment	-0-	-0-				
*Contract Svc.	-0-	-0-				
Mat. & Supp.	-0-	-0-				
Facilities/Space	-0-	-0-				
Other	344	344	344		344	
Indirect Costs	146	158	166	+2.5%		
	58	64	66	+3.1%		
VI. Data Processing (costs included above)	N/A					
VII. Personnel						
F/T CSC						
P/T CSC						
Contractual						

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
AB 90 Funds

Will grant funded employees be retained after this grant terminates? If so, How?
Contigent on continuation funding.

***VIII. Contractual Services:** Open Bid ______ Sole Source ______ (if sole source, attach Request for Exemption Form)

Item 1d - File 68-91-8

Department: Mayor's Office of Public Safety

Item: Resolution authorizing the Mayor to apply for, accept and expend Federal grant funds available under the U.S. Juvenile Justice & Delinquency Act of 1974 through the California Office of Criminal Justice Planning.

Grant Amount: $47,376

Grant Period: January 1, 1992 - December 31, 1992

Source of Funds: State Office of Criminal Justice Planning (OCJP)

Project: Chinatown Youth Center

Description: This grant will enable Chinatown Youth Center (CYC) to provide youth and family counseling services to 20 pre-delinquent or status offender youth, and to 20 youth identified as juvenile delinquents. The program will also fund two workshops to increase the communication of 75 parents, and one peer discussion group for 8-10 youth. The program will also support case management activities, including development of treatment programs and information and referral to other services of CYC and outside agencies.

The Chinatown Youth Center is a multi-service youth agency serving Asian youth ages 12-23. Services provided include counseling, crisis intervention, school outreach, parent workshops/education/support services, drug prevention and education, employment counseling, gang prevention, recreation, and information and referrals.

The Mayor's Office of Public Safety is the regional planning agency for receipt of Federal funds under the Juvenile Justice and Delinquency Act of 1974 which have been received annually since the mid-1970's and distributed to different program recipients each year. Based on an assessment of needs and OCJP proposal guidelines, the Mayor's Office of Public Safety selected the Chinatown Youth Center as the grant recipient and program contractor for 1992.

Budget:	Salaries	FTE		
	Executive Director	.06	$2,340	
	Coord. Sup Svcs.	.25	6,300	
	Admin. Asst.	.06	1,273	
	Counseling Director	.06	1,685	
	Youth & Family Counselor III	.05	1,080	
	Y & F Counselor I	1.0	19,000	
	Licensed Clinical Social Worker	.005	213	
	Total Salary	1.48		$31,891
	Fringe Benefits @ 18.34%			5,849
	Total Personnel			$37,740
	Operating Expenses			
	Rent		2,940	
	Utilities		840	
	Telephone		960	
	Office Supplies		500	
	Printing		1,056	
	Travel		504	
	Postage		400	
	Seminars & Conference		800	
	Insurance		840	
	Janitor		146	
	Program Expense		650	
	Total Operating Expense			9,636
	Total Contract			$47,376

Required Match: None

No. of Persons Served: 40 at-risk or delinquent Asian youth; 75 parents of at-risk or delinquent youth.

Indirect Costs: No indirect costs are included in the budget. Ms. Joyce Smith of the Mayor's Office indicates that indirect costs cannot be included in grants issued by the State Office of Criminal Justice Planning for services which are contracted to private agencies. Ms. Smith indicates that this provision applies even to Federally funded grants, and cites Sec. 3436.100 of the OCJP Subgrantee Handbook: "When a local unit of government ... contracts with a private agency to implement a project, indirect costs will not be allowed."

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments: 1. These grant funds will augment other revenues used to support the CYC counseling and case management programs. The proposed grant represents approximately seven percent of CYC's 1991-92 annual budget of $646,525.

2. In prior years, this grant has been joined with AB 90 funding in budgeting for CYC's counseling services. For calendar year 1992, AB 90 funding and this (JJDP) grant funding require separate budgets. In calendar year 1992, AB 90 funding for personnel will decrease from 25 percent to 20 percent.

These grant funds will therefore be used to pay an additional five percent of personnel costs over CY 1991, due to the decrease in the AB 90 share of salaries in 1992, and will also pay part of the five percent cost of living increase in salaries over 1991 levels. The funds will also pay fringe benefits as 18.34 percent of grant-funded personnel costs, and will fund operating and counseling program expenses.

The grant will fund only 1.48 FTEs because it will be used to supplement AB 90 funding for salaries. CYC staff involved in meeting the program objectives of this grant constitute approximately 3.6 FTEs.

3. CYC has not previously received JJDP grant funds. According to Ms. Smith, JJDP funds have been received annually for many years, but are allocated to a different agency in the community each year.

4. CYC's AB 90 budget for 1991-92 has been revised downward to reflect the expected receipt of this grant under JJDP. The CYC AB 90 budget was $92,843 when it was submitted to the Board in June 1991 (File 68-91-3) in connection with the application by the Office of Criminal Justice Planning for AB 90 funds for all programs for 1991-92. CYC's revised AB 90 budget as of November 16, 1991 shows a funding level of $69,155. The difference ($23,688) represents one-half of the proposed $47,376 JJDP grant funds expected to be made available by OCJP for calendar year 1992.

5. Program expenses include costs for field trips, recreational activities, and other activities associated with the delinquency subvention programs of the agency.

BOARD OF SUPERVISORS
BUDGET ANALYST

6. As indicated above, the grantor does not allow indirect costs as part of this grant. Therefore, the proposed resolution should be amended in both the title and body to indicate that no indirect costs are included in this grant request because they are prohibited by the grantor.

7. Ms. Smith indicates that final certification of the contract with CYC by the Controller must await receipt of a pre-agreement letter or grant approval from the State OCJP.

The approval of the Board is needed for submission of formal grant application materials to the OCJP. Because the grant period began on January 1, 1992, costs of this program will be paid from other CYC funds until the JJDP grant monies are received.

8. Attached is the "Summary of Grant Request" prepared by the Mayor's Office of Public Safety. A disability access checklist for Chinatown Youth Center is on file with the Clerk of the Board.

Recommendation: Amend the proposed resolution in both the title and body to reflect that indirect costs are excluded because the grantor does not allow indirect costs for this grant.

Approve the amended resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item No. MAYOR'S OFFICE : **Summary of Grant Request** Rev. 4/10/90

Grantor Office of Criminal Justice Planning
Contact Person Mary Wandschneider
Address 1130 K Street, Suite 300
Sacramento, CA 95814
Amount Requested $47,376.00
Term: From 01/01/92 To 12/30/92

Division Mayor
Section Criminal Justice Council
Contact Person Joyce O. Smith
Telephone (415) 554-6561
Application Deadline January 31, 1992
Notification Expected March 1, 1991

Board of Supervisors: Finance Committee ______
Full Board ______

I. Item Description: (Circle appropriate words)
Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $ 47,376 from the period of 01/01/92 to 12/31/92 to provide Individual crisis and on-going as well as group counseling services

II. Summary: (Context/history, need addressed; number + groups served; services and providers)
Chinatown Youth center is a multi-youth service agency to at risk Asian youth from 12 - 23 years of age. Services include youth and family counseling; intake assessment; crisis intervention; school outreach; parent workshop/education/support group; drug prevention/education; youth support group; pre-employment counseling and information; job placement; gang prevetnion; street outreach; tutorial; recreation; information and referrals.

III. Outcomes/Objectives:
Chinatown Youth Center's objectives are to reduce truancy, increase self esteem and self awareness, reduce inappropriate acting out behaviors, create a safe environment for youth to talk, increase communication with parents, increase positive role models and provide support for parents of at risk youth.

IV. Effects of Reduction or Termination of These Funds:
Reduction or termination of these funds will result in the reduction of the number of youth served.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount						
Personnel						
Equipment						
Contract Svc.	-0-	-0-	$47,376	N/A		
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs						
VI. Data Processing (costs included above)	N/A					
VII. Personnel						
F/T CSC						
P/T CSC						
Contractual			7			

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
N/A

Will grant funded employees be retained after this grant terminates? If so, How?
Contingent on availability of funds.

VIII. Contractual Services: Open Bid ______ Sole Source ______ (If sole source, attach Request for Exemption Form)
Program will be submitted to the Civil Service Commisison for approval

Item 1e - File 172-91-20

Department:	Public Utilities Commission (PUC) Municipal Railway (MUNI)
Item:	Resolution authorizing an Indemnification Agreement with the Southeastern Pennsylvania Transportation Authority for the purchase of nineteen (19) surplus P.C.C. type streetcars.
Description:	The proposed resolution would allow the Public Utilities Commission (PUC) to execute an Indemnification Agreement with the Southeastern Pennsylvania Transportation Authority (SEPTA) for the purchase of 19 surplus Presidential Conference Committee (P.C.C.) type streetcars. Under the terms of the Indemnification Agreement, the City would agree to assume any and all liability for the streetcars, regardless of negligent acts or omissions by SEPTA. The Purchasing Department would in turn issue a contract for the restoration of the P.C.C. streetcars. The restored P.C.C. streetcars would operate and carry passengers for service along Market Street and provide future service along a proposed Embarcadero line (F-Line).
Comments:	1. Mr. Gary Seib of MUNI reports that the P.C.C. streetcars are late 1930-1940 standard streetcars. Mr. Seib also reports that as a condition of the City purchasing the streetcars from SEPTA, SEPTA requested that the City enter into an Indemnity Agreement. 2. Mr. Seib indicates that the cost of the 19 streetcars is a total of $170,000, or approximately $9,000 per streetcar. Ms. Gail Bloom of the PUC reports that the source of funds for the $170,000 purchase cost for the streetcars is legal settlements which MUNI received from a settled lawsuit against the developer of 525 Market Street. Ms. Bloom indicates that the developer agreed to pay the City approximately $1 million in the early 1980s for transportation improvements because the developer never built a MUNI Metro connection at 525 Market Street as originally intended. In addition, Ms. Bloom reports that MUNI intends to refurbish 14 streetcars initially, and later refurbish the remaining five streetcars when additional funds have been secured. Ms. Bloom estimates that the cost to refurbish the 14 streetcars is $9,127,159, to be funded through the following sources:

Federal Urban Mass Transit Authority (UMTA)	$3,002,300
State Transit Capital Improvement	2,739,079
San Francisco Municipal Railway Corp.	416,579
Legal Settlement - 525 Market Street	282,542
Transit Impact Development Fund (TIDF)	276,659
Half-Cent Sales Tax Allocation	2,410,000
Total	$9,127,159

3. Ms. Bloom indicates the Board of Supervisors has previously approved all of the above-listed funds, however, the Board of Supervisors will consider a State Transit Capital Improvement grant (File 94-91-7) at the January 10, 1991 Finance Committee meeting, which includes $329,079 of the $2,739,079 budgeted for the streetcar refurbishment. As noted, the above-listed costs would be for the refurbishment of 14 streetcars. Ms. Bloom reports that the PUC anticipates that the refurbishment of the additional 5 cars would cost approximately $3 million, and funding would be subject to future Board of Supervisors' approval. Ms. Bloom anticipates that approximately 50 percent, or $1.5 million, would come from State Transit Capital Improvement funds and the remaining $1.5 million would come from Half-Cent Sales Tax allocations which would be applied for in upcoming fiscal years.

4. Ms. Bloom states that the Purchasing Department opened bids for the refurbishment of the 14 streetcars on December 20, 1991, and intends to award the contract within 120 days, or approximately by the end of April, 1992.

5. According to Mr. Seib, the City also owns similar P.C.C. type streetcars which the City has stored at various City piers. However, Mr. Seib reports that the existing City-owned streetcars are older and not as suitable for use because of the weathered condition of the streetcars. Mr. Bob Highfill of MUNI estimates that it would cost approximately $2 million more to refurbish the existing City-owned streetcars, which would result in a net additional cost of $1,830,000 (subtracting the $170,000 purchase price). As noted, upon refurbishment, these 19 streetcars would operate and carry passengers for services along Market Street and provide future service along a proposed Embarcadero line (F-Line).

Recommendation: Approval of the proposed resolution authorizing an Indemnification Agreement for the City to assume all liability for these streetcars, "regardless of negligent acts or omissions" by the Southeastern Pennsylvania Transportation Authority is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 2 - File 100-91-7

1. The item is a hearing to consider the status of the City's economic vitality and business climate.

2. According to the State Employment Development Department (EDD), the local and regional economy of San Francisco and the Bay Area is characterized primarily by a large and growing service sector. The service sector comprised 33.3% of jobs in San Francisco County in 1988. Below is a breakdown of jobs within San Francisco County in 1988 (the last year for which data are available), as determined by EDD, with projected percentage changes in the size of each sector through 1993. The substantial growth in the service sector is attributable to the strength of business services, engineering, accounting and research services, medical services, and legal services, and rapid expansion in the hotel industry.

Major San Francisco Industries and Projected Changes in Employment

	Percentage of S. F. Employment (1988)	Increases (Decreases) from 1988-1993*	Projected Percentage of S. F. Employment (1993)
Services	33.3%	11.4	35.9%
Government	16.1	1.7	15.8
Retail Trade	13.9	4.6	14.0
Finance, Insurance & Real Estate (FIRE)	13.9	-2.7	13.0
Manufacturing	7.4	-6.3	6.7
Transportation and Public Utilities	7.1	-2.3	6.7
Wholesale Trade	5.6	-3.5	5.3
Mining and construction	2.7	-4.5	2.5
Total Employment	100.0%	3.4	100.0%

* Column 2 shows the expected percentage change in employment between 1988 and 1993 by industry. Due to variations in the size of each industry (Column 1), and the projected increase of 3.4% in San Francisco's employment between 1988 and 1993, the net effect by 1993 cannot be obtained by simply adding the percentage changes shown by industry. Column 3 reflects the expected effect on San Francisco's total employment of these changes on each sector relative to its size.

3. Finance, Insurance and Real Estate has been a strong segment of the local San Francisco economy, representing 13.9% of San Francisco County jobs in 1988. A 1990 report of business conditions published by Standard & Poor's indicated that the segment's 11% share of Bay Area employment compared with an average share of 7% for Western metropolitan areas, and that banking's share alone, at 5%, was "twice as concentrated" in the San Francisco area as in the average urban area of the nation. The report also noted that the 2% annual decline in banking employment since 1986 stemmed from "white collar

consolidations now endemic to that industry." The effects of these trends on San Francisco's banking industry will hurt the local economy, but should also be interpreted in the context of such larger industry shifts.

4. Increasing Focus on International Trade. The region's economy is developing an increasingly important concentration in international trade, according to a 1991 report by the Center for the Continuing Study of the California Economy (CCSCE). The value of exports and imports passing through the San Francisco custom district more than doubled between 1983 and 1989. Many jobs in the finance industry and in legal and professional services are probably related to this growing segment of the economy. The two major groups of Trade (wholesale and retail) and Services could account for 70% of job gains in the Bay Area through 2000, with the strength of international trade being a prime determinant of the continued vitality of the regional economy.

5. Tourism. According to a February, 1991 report of the San Francisco Chamber of Commerce, tourism continues to grow at an annual rate of 2-4% annually, accounting for 11.1% of San Francisco jobs. These visitors are 30% business travelers, 36% conventioneers or tour groups, and 34% tourists or others, and they pay approximately $140 million in taxes annually to the City, as reported by the Chamber of Commerce.

6 Retail Sales/Effects of Recession. Figures from the California Board of Equalization and U.S. Chamber of Commerce indicate that taxable retail sales in San Francisco in 1990 were 5.6% higher than in 1989, as compared with an overall growth rate of only 3.4% for California. The 5.0% growth in sales within the San Francisco Primary Metropolitan Statistical Area (San Francisco, Marin, and San Mateo Counties) was higher than for the Bay Area taken as a whole, with retail sales growth of 2.8%. Sales grew by 3.8% in 1990 for the nation.

Board of Equalization figures also show that taxable retail sales in the first half of 1991 decreased by 1.3% over the same period in 1990. This compared favorably with a decline of 3.6% for California and 6.3% for Los Angeles.

7. Growing Apparel Industry. San Francisco is now the third largest apparel manufacturing center in the U.S., according to the Chamber of Commerce, accounting for 30% of the manufacturing jobs in the City. Gains in this industry are due in part to shifts in the retail industry away from large department stores toward specialty and chain stores. Retail apparel stores are expected to exhibit employment gains between 1988 and 1993 of 3.4%, according to EDD.

8. Future Growth of Bay Area Jobs and Population. According to CCSCE's 1991 report, the Bay Area will add more jobs than any California region, except the Los Angeles Basin through the year 2000, although the rate of growth will be the slowest of all regions of the State. Rates of job growth for all regions of California will still exceed the national average.

CCSCE reports that job growth in the Bay Area will entail a substantial increase in population. CCSCE estimates that the region could increase by as many as 877,000 new residents by the year 2000, slightly more than the estimated 844,000 new residents added between 1980 and 1990.

According to U.S. Census figures, San Francisco's population grew by 6.6% in the 1980s, slower than the Bay Area growth rate of 16.5% for the period. The number of Asian residents increased by 43%, while the number of Hispanic residents grew by 20.8%. These figures suggest that the nation's strong increase in immigration from abroad during the decade may have accounted for a significant portion of San Francisco's population growth.

9. Increased Decentralization of Housing and Jobs. Growth during the 1979-89 period was accommodated through greater decentralization of housing and employment centers. The very high rate of job growth in outlying areas of the region between 1979-90 is shown in Exhibit 1. Changes in percentage employment shares of Bay Area counties between 1972-1989 is shown in Exhibit 2, which reflects the decline in San Francisco's share of Bay Area employment from 25.1% in 1972 to 19.4% in 1989.

10. Job Growth in San Francisco. A 1990 guide to business conditions published by Standard and Poor's indicates that the average annual job growth of 1.4% in the San Francisco area between 1986-89 was the fifth worst rate of growth among 23 metropolitan areas in the West. This was attributed to high building costs, a lack of affordable building space, and out-migration of business due to low office vacancy rates and associated high rents.

According to the Mayor's Office of Business and Economic Development, job growth in San Francisco is constrained by business density and growth restrictions, although the City's "compound annual rate of employment growth since 1988 at 1.5% has been higher than for any other four year period since 1972."

11. Commercial vacancy rates. Business expansions into San Francisco are influenced in part by the availability and cost of office space. Figures issued in late 1991 by MOBED, citing the Society of Office and Industrial Realtors, indicate that San Francisco's office vacancy rate of 15.1% is the second lowest of the top ten real estate markets in the nation, after New York City (13.7%). The Chamber of Commerce recently announced renewed efforts to attract and retain businesses in San Francisco, and indicated that it is not significantly more expensive for businesses to operate in San Francisco than in neighboring communities.

12. Business Taxes. San Francisco's business tax is assessed either on a firm's total payroll or total gross receipts, with the base chosen which produces the higher tax assessment. A firm is exempt from the business tax if its liability is less than $2,500, but all businesses must pay a business registration fee of $150. The registration fee is waived for firms grossing less than $15,000.

According to Mr. John Tanaka in the Tax Collector's Office, in Fiscal Year 1990-91, only 6,500 of the 56,000 firms doing business in San Francisco, or approximately 11.6%, paid business tax to the City.

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Of the firms which do pay business tax, most pay the tax on payroll rather than gross receipts. In FY 1990-91, according to Mr. Tanaka, the City received $126 million in payroll taxes and $21 million in gross receipts taxes, for a total of $147 million in business tax revenue. (Of the total business tax receipts, this equates to 85.7% payroll tax and 14.3% gross receipts tax.)

The gross receipts tax rate differs for different types of businesses in the City. The Tax Collector classifies businesses among 15 categories, and assigns tax rates of either .123% ($1.23 per $1,000 of gross receipts), .15%, or .30% according to the business classifications. According to Mr. Tanaka, these differential rates have been adjusted slightly over the years, but are essentially patterned after the Los Angeles business tax ordinance which was used as a model for San Francisco's business tax when it was adopted in 1968. Many businesses in the Finance, Insurance, and Real Estate sector are exempt from local business taxes under California law.

13. Labor Supply/Unemployment. Another factor influencing business location decisions is the availability of skilled labor. A 1990 Standard and Poor's report indicated that the San Francisco area's unemployment rate of 3.4% in 1989 was among the 20 lowest in the nation, and that the higher growth rate of jobs relative to growth of the labor rate had significantly tightened the labor market between 1986-89.

Figures from EDD indicate that unemployment in San Francisco in 1990 was 4.0%, somewhat lower than the 5.6% rate in California and the national average of 5.5%. Even during the current recession, the City's unemployment rate has been relatively low, with the unadjusted rate for October 1991 being 5.3% in San Francisco compared to 7.8% in Los Angeles, 7.3% Statewide, and 6.4% nationally.

14. Per capita income/Housing costs. Per capita income in the Bay Area is among the highest in the nation. The $28,000 per capita income level in the San Francisco Metropolitan Statistical Area (including Marin and San Mateo Counties) in 1989 was the second highest in the nation; San Francisco's level was $28,742.

The CCSCE report indicates that per capita income in the Bay Area grew at an average annual rate of 2.1% between 1979-89, faster than the State average of 1.1% and faster than any other region in the State. Total personal income rose at an average annual rate of 3.6% in the same period, compared to the national average of 2.7%. According to the report, however, "high wage rates only partly offset high housing prices," with the Bay Area having the 14th least affordable housing market in the nation, second in California only to Anaheim.

15 Housing Construction. CCSCE reports that residential housing construction in the Bay Area will continue to be strong, but that it will be concentrated outside of San Francisco in areas where land is abundant and less costly. The "residential focus," therefore, "will continue moving to the fringes."

Continued lack of residential space and affordability in San Francisco will result in continuing high prices for labor and possible shortages of skilled workers, continuing problems of inadequate transportation, and continued high personal expenditures for housing services.

Exhibit 1

San Francisco Bay Area
Wage and Salary Jobs by Subregion
1979-1990
(Thousands)

	1979	1984	1990	% Growth 1979-84	% Growth 1984-1990
Oakland MSA	681.7	738.9	909.7	8.4%	23.0%
San Francisco MSA	847.6	906.4	978.2	6.9%	7.9%
San Jose MSA	644.0	783.2	831.5	21.6%	6.2%
Santa Rosa MSA	93.8	113.1	149.4	20.6%	32.1%
Vallejo-Napa MSA	103.1	113.9	146.0	10.5%	28.2%
San Francisco Bay Area	2,370.2	2,655.5	3,014.8	12.0%	13.5%

Source: EDD

From: California Economic Growth, 1991 Edition
Center for Continuing Study of the California Economy

Exhibit 2

Decentralization of Employment in the Bay Area Economy
1972-1989

County	Employment Share 1972	 1981	 1989
Alameda	23.1%	19.7%	19.7%
Contra Costa	7.8%	8.0%	9.7%
Marin	2.7%	3.0%	3.1%
Napa	1.3%	1.4%	1.5%
San Francisco	25.1%	22.6%	19.4%
San Mateo	10.7%	10.3%	10.0%
Santa Clara	22.9%	28.0%	28.5%
Solano	2.9%	2.9%	3.5%
Sonoma	3.4%	4.1%	4.6%

Source: *Wage and Salary Employment Data*, California Employment Development Department.

From: San Francisco Bay Area Economy: 1990 and 1991
Special Report of the Association for Bay Area Governments

Item 3 - File 127-91-15

1. The proposed ordinance would (1) amend Article 12-A of Part III of the San Francisco Municipal Code (Payroll Expense Tax Ordinance) by adding a new Section 906A, to provide tax credits for persons who maintain a fixed place of business within the San Francisco Enterprise Zone and who create new jobs and hire employees qualified under specified government jobs programs and (2) amend Article 12-B of Part III of the Municipal Code (Business (Gross Receipts) Tax Ordinance) by adding a new Section 1005.5, to provide certain tax credits for persons who maintain a fixed place of business within the San Francisco Enterprise Zone and who create new jobs and hire employees qualified under specified government jobs programs.

2. The San Francisco Municipal Code currently requires business to pay the greater of either a payroll tax liability or a gross receipts tax liability. Businesses which have a tax liability which is less than $2,500 annually are not subject to any payroll or gross receipts tax. The current payroll tax rate is 1.5 percent of the total payroll tax liability, and in general, current gross receipts tax ranges from $1.23 per $1,000 of total gross receipts, to $3.00 per $1,000 of total gross receipts.

3. Under Sections 906A and 1005.5, which the proposed ordinance would establish, a person would be entitled to either payroll or gross receipts tax credit if he or she maintains a fixed place of business within the San Francisco Enterprise Zone and, on or after January 1, 1992, creates one or more new jobs and hires employees qualified under specified government programs. Such government programs include (1) subsidized employment training or services under the terms of the Federal Job Training Partnership Act (JTPA), (2) the Greater Avenues for Independence (GAIN) Program, (3) the Federal Targeted Jobs Tax Credit Program (TJTC) or General Assistance recipients. Sections 906A and 1005.5 stipulate that under no circumstances will the tax credit reduce a person's tax liability to less than zero. Each person filing a tax credit would provide an affidavit attesting to facts establishing his or her entitlement to the tax credit.

4. Sections 906A and 1005.5, which the proposed ordinance would establish, would provide that the tax credit be computed on the basis of each qualified employee hired, and would be a varying percentage of wages paid for work performed within the Enterprise Zone. Eligible wages would be computed as follows:

1) The eligible wages to which the tax credit percentage is applied will be limited to wages paid for work performed by the qualified employee while physically present within San Francisco;

2) The tax credit percentage to be applied to eligible wages will also depend upon the employee's duration of employment as follows:

Duration of Employment	Wage Credit Allowed on Payroll or Gross Receipts Tax Liability
First 12 months	50%
Second 12 months	40%
Third 12 months	30%
Fourth 12 months	20%
Fifth 12 months	10%
After 60 months	0

Therefore, an Enterprise Zone business which hires a new employee who works only in San Francisco, and is hired through one of the specified government programs, would reduce his or her tax liability by 50 percent of wages paid if the employee has been hired within 12 months as of the date either payroll or gross receipts taxes are due.

Comments

1. The Board of Supervisors previously adopted legislation (File 248-91-1) approving the California Department of Commerce's establishment of an Enterprise Zone in the City and County of San Francisco to provide employment for the City's economically disadvantaged population to stimulate private investment in communities considered to be economically depressed, and adopting findings pursuant to the California Environmental Quality Act (CEQA) and the State CEQA Guidelines. Under the guidelines of the Enterprise Zone Program, businesses located within the designated Enterprise Zone area are eligible for various State sales and use tax credits, hiring credits, business expense deductions, and comprehensive net operating loss carryovers which the businesses file as part of their annual tax returns. The proposed ordinance would provide the above-listed local payroll or gross receipts tax credits in addition to State tax credits.

2. The City's Enterprise Zone covers approximately 12,800 businesses in the following eight neighborhoods: South Bayshore (the industrial area), the Mission, South of Market, Potrero Hill, Tenderloin, Chinatown, Western Addition and Haight Ashbury District. The Mission Bay Project area is also part of the Enterprise Zone.

3. Ms. Gail Goldman of the Mayor's Office of Business and Economic Development reports that given that the Enterprise Zone Program is a new program, the effect upon any reduction or increase in tax revenues as a result of the proposed ordinance cannot be determined. The effect upon revenues would depend upon the number of Enterprise Zone businesses who hire new employees through the above-listed eligible job programs, and the duration of employment. In addition, if businesses hire additional workers through the Enterprise Program which otherwise would not have been hired, the proposed ordinance could result in a potential net increase in revenues to the City. Ms. Goldman also reports that although the fiscal impact to the City cannot be precisely estimated, it is anticipated that the proposed ordinance would have a minimal fiscal impact.

Mr. Richard Sullivan of the Tax Collector's Office anticipates that many of these Enterprise Zone businesses would likely have a tax liability of less than $2,500, and therefore would not be subject to any payroll or gross receipt taxes anyway.

4. Mr. Sam Paredas, Director of the State Enterprise Zone Program in California, reports that currently there are no other cities in California which offer additional local tax credits as would be provided by the proposed ordinance.

5. The proposed ordinance would apply to existing and new businesses located within the Enterprise Zone area. As noted, only existing or new businesses which hire new employees on or after January 1, 1992 would be eligible for the tax credit. Also as noted, businesses would be required to provide an affidavit attesting to the facts establishing his or her entitlement to the tax credit.

Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 4 - File 101-91-42

Department:	Employees Retirement System (ERS)
Item:	Supplemental Appropriation Ordinance appropriating $1,793,764 for Other Contractual Services, Services of Other Departments – Controller-Data Processing and Non-Work Order Services of Other Departments – City Attorney, Retirement System for fiscal year 1991-92.
Amount:	$1,793,764
Source of Funds:	Employee Retirement Trust Fund

Description: In November 1991, the San Francisco voters approved a proposition that offers City employees incentives to retire early (Proposition A). According to Proposition A, employees who retire before April 1992 receive early retirement benefits as if they were three years older and had worked for the City three additional years. Thus, a 57 year old employee who has worked for the City for 27 years will receive early retirement benefits as if he were 60 years old and had worked for the City for 30 years.

On November 2, 1991, the Board of Supervisors approved a Supplemental Appropriation Ordinance appropriating $1,573,103 for ERS to implement the provisions of Proposition A (File 101-91-18), and placing $1,388,103 on reserve. These funds were released by the Finance Committee immediately after the November 5, 1991 election. At that time, ERS estimated that 5,500 employees would be eligible for early retirement, and that, of these, approximately 1,500 would accept early retirement. The Supplemental Appropriation included funds to contract with a consultant, Towers, Perrin, Forster and Crosby, at a cost of $1,360,288. The consultant was to calculate benefits for the 5,500 eligible employees, conduct one and one-quarter hour interviews with interested employees, and develop printed materials. This previously approved Supplemental Appropriation also included $190,815 for temporary and overtime pay, $7,000 for materials and supplies, and $15,000 for City Attorney's Services.

According to Ms. Clare Murphy of ERS, to date, the consultant and ERS have evaluated 6,000 members, sent statements to 5,350 members containing each member's individual estimated benefits through February 1, 1992 based on prior service, and is continuing to evaluate and prepare statements for 400 additional members. Also, 2,000 members and 600 guests have requested group meetings, and 1,000 members have requested individual interviews.

The proposed Supplemental Appropriation would appropriate an additional $1,793,764, for a total appropriation to date of $3,366,867 to implement the provisions of Proposition A. According to Mr. Rudy Hernandez of ERS, ERS and the consultant underestimated the costs for implementing the project because:

(1) ERS originally anticipated that 5,500 employees would be eligible for early retirement. In fact, 6,400 employees are eligible for early retirement, an increase of 900 employees, or 16 percent.

(2) Proposition B (Collective Bargaining), approved by the voters in November 1991, requires that employees who retire must receive retirement benefits as if they had received cost of living increases in 1990-91 and 1991-92. Thus, the service calculations for the past two years must be based not on actual salaries but on calculated salaries based on cost of living increases.

(3) There is an increased need for the consultant to perform project management and coordination. Project management and coordination was not included in the original contract as a separate line item, but was assumed to be part of other costs.

(4) ERS originally estimated that 2,200 interviews would be conducted, at $1\frac{1}{4}$ hour each. ERS now estimates that 3,500 employees will request interviews. In addition, ERS believe that the interview time now needed is 1.5 hours, or an additional one-quarter hour.

(5) Less calendar time is available to complete the project than originally planned. According to Ms. Murphy, ERS anticipated beginning the project in September, but funds were not released for the project until shortly before the November election. The shortened calendar time frame, in conjunction with the lengthened interview time, requires more space and equipment.

ERS has requested a supplemental appropriation, in the amount of $1,793,764, as follows:

Contractual Services (see detail following)	$1,748,764
Data Processing	35,000
City Attorney's Services	10,000
TOTAL	$1,793,764

Contractual Services Budget Detail

Service Calculations and Processing		
Additional Calculations (900)	$188,000	
Processing Final Calculations	264,400	
Training for Data Processing Staff	60,000	
Furniture	3,100	
Leased Space	5,550	
Hardware and Software Purchase	84,114	
Programming	69,200	
Supervision for Data Processing Staff ($220 per hour x 50 hours/week x 6 weeks for $66,000; $220 x 40 hours per week x 17 weeks for $149,600)	215,600	
Total Service Calculations		$889,964
Individual Interviews		
Leased Space	20,750	
Furniture	19,500	
Individual Meetings (1,300 additional meetings; each meeting 1.5 hours rather than 1.25 hours)	395,300	
Total Individual Interviews		435,550
Operating Expenses		
Telephone System	39,000	
Telephone (for new space & added use)	2,500	
Total Operating Expenses		41,500
Materials and Supplies		
Office Supplies (new rooms & extra interviews)	15,000	
Film readers, Fiche Readers (purchase rather than lease)	18,500	
Copy Machine	750	
Total Materials and Supplies		34,250
Communication		
Revising ERS Forms	8,700	
Third Bulletin	5,500	
Coordination & Secretarial Support (115 hours @ approximately $143/hour)	16,500	
Total Communication		30,700

Project Management (40 hours/wk x 24 wks x $330 per hour)	$316,800
TOTAL	$1,748,764

Comments:

1. According to Mr. Dan McGuire of the City Attorney's Office, the original contract with Towers, Perrin, Forster and Crosby does not require that the consultant perform any specific amount of work for any specific amount of money. Instead, the contract stipulates that the contractor's estimated costs were based on ERS' assumptions regarding the scope of work, and that if the work proved to be more complex or time consuming than anticipated, the contractor would reduce its work or increase its fees accordingly. For example, ERS estimated that each service calculation would be completed in an average of four hours. If the average service calculation time is over four hours, then the contractor would perform fewer calculations or charge a higher fee. Since the contractor now has specialized knowledge regarding this project, it would be very difficult or impossible to terminate the current contractor in favor of another. Because the City is not in a position to terminate the current contract, and because the contract states that payment would increase if the work proved to be more complex or time consuming than originally anticipated, the contractor now has an incentive to exaggerate the complexity and costs of the project. We are not stating that any contractor would purposefully spend more time than needed, but the point is that any contractor, by spending more time, would get greater fees. Because contracts that stipulate that costs may vary create an incentive to exaggerate or increase costs, the Board of Supervisors may want to consider a policy of refusing to release funds for contracts that do not contain guaranteed levels of service and maximum costs.

2. Mr. McGuire advises that the proposed addendum to the contract would clearly define the tasks remaining and contain a maximum contract fee to complete the entire project, in the amount of $3,109,052, or the original $1,360,288 contract amount plus the proposed $1,748,764 contract amount. This maximum assumes that 3,500 employees would accept early retirement and that 3,500 employees would request individual interviews. If fewer employees request interviews or accept early retirement, the contract amount would decrease and the funds would be returned to the Employee Retirement Trust Fund. If more employees participate, Mr. McGuire reports, the contractor would serve them at no additional charge.

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3. Mr. Rudy Hernandez of ERS advises that the contractor has charged ERS $1,309,561 of the original contract appropriation of $1,360,288 authorized for contractual services by December 15, 1991, leaving an available balance of $50,727. According to Mr. Hernandez, ERS submitted this proposed request for a supplemental appropriation to the Mayor's Office on December 11, 1991. Due to the election and the holidays, the proposed request was delayed. ERS incurred costs, from December 16, 1991 to December 31, 1991, equalling $508,914, of which $50,727 was previously authorized by the Board of Supervisors and $458,187 was not authorized, and has continued to incur costs since that time, without authorization, against this Supplemental Appropriation ordinance. Mr. McGuire advises that if the Board of Supervisors denies the proposed Supplemental Appropriation, it would create a legal issue and possible litigation. If the Board of Supervisors approves the proposed ordinance, the proposed ordinance should be amended to appropriate funds retroactively.

4. The total obligations incurred from the start of the program on November 4, 1991 through December 31, 1991, or approximately eight weeks, was $1,818,475, or $1,309,561 plus $508,914, an average of approximately $227,309 per week. At this rate, ERS will have spent approximately an additional $909,237 by January 27, 1992, the earliest possible date the Board of Supervisors could approve the proposed Supplemental Appropriation. This would bring the total expenditures to $2,727,712. Since the total proposed contract equals $3,109,052, this would leave a balance of $381,340, to implement the program from the end of January through March 31, 1992. Given ERS' current average weekly expenditures of $227,309, it seems unlikely that the project could be continued for over the final nine weeks with a total of $381,340.

5. Approximately 500 employees, on average, retire in a given year, Ms. Murphy advises. ERS chose to calculate benefits for each employee eligible for early retirement, rather than calculating benefits on a request-only basis, in order to achieve economies of scale and thereby reduce the amount of the consultant contract. ERS currently estimates that 6,400 employees are eligible for early retirement, almost 13 times the calculations performed in an average year. ERS estimates that 3,500 employees will request interviews, at seven times the average number of yearly interviews, and 1,500 employees are estimated to retire, at three times the average yearly total. However, although the volume of work has risen significantly because of Proposition A, the work itself is the same as that performed routinely by ERS.

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6. $188,000 is budgeted in the proposed Supplemental Appropriation for an additional 900 eligible employees and to accommodate the additional time needed to adjust calculations for the entire 6,400 eligible employees due to Proposition B. Calculations and Data Collection for an estimated 5,500 employees were included in the original project budgeted at $717,288, or $47 per hour times 15,261 hours. This amounted to an average cost per employee of $130. At that rate, calculations for 900 additional employees, at $130 each, would cost approximately $117,000. However, ERS is requesting an additional $71,000 ($188,000 less $117,000) to support adjustment of the remaining 5,500 calculations, due to Proposition B.

7. The $264,400 for processing final calculations would include the final calculations once an employee elects to accept early retirement from a specific date. The prior service calculations for early retirement assume that employees will retire February 1, 1992, will continue to earn the same rate of pay from the time of calculation to February 1, 1992, and that no unanticipated funds will be paid into or withdrawn from the employee's retirement account. If an employee elects to retire, a final calculation is made, which reviews these assumptions and alters the prior calculation if necessary, and the employee is informed of his or her exact benefits. Funds for final calculations were not included in the original project budget because ERS anticipated performing final calculations in-house. Because only 1,500 employees are anticipated to accept early retirement, because final calculations are not time consuming in comparison with prior service calculations, and because ERS originally agreed to perform final calculations in-house, the request for funds for final calculations should be denied, and the proposed Supplemental Appropriation should be reduced by $264,400. Other City employees might also be requested to assist in this effort on an in-house basis.

$60,000 for training consultant employees to perform calculations is included in the proposed budget. By contracting with an outside firm, the City is seeking specific expertise in an area. Providing trained personnel should be the responsibility of the consultant and not the City. Also, if the Board of Supervisors reduces the proposed Supplemental Appropriation by $264,400 so that final calculations are performed in-house, as recommended above, no training of consultant personnel would be necessary. Therefore, the Supplemental Appropriation should be reduced by $60,000, for training.

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8. The proposed budget includes $3,100 for leased data processor furniture and $5,550 for leased data processing space. According to Mr. Hernandez, the consultant's original schedule for data processing was September 1, 1991 through November 30, 1991, using 40 staff members. Instead, the contract was not approved until early November, reducing the amount of time in which to complete the data processing from eight to four weeks, and creating the need for 60 rather than 40 data processors. Thus, additional space and furniture was leased. Although these costs are justified, these funds should not have been expended without the authorization of the Board of Supervisors.

9. According to Mr. Hernandez, the consultant may not need to purchase additional hardware and software, included in the budget at $84,114. Therefore, $84,114 in Hardware and Software Purchase should be eliminated pending justification of these expenses.

10. Programming is included in the proposed budget, at a cost of $69,200. Mr. Hernandez advises that the consultant authored software specifically tailored to the early retirement program, and set up a database system for the program. According to Mr. Hernandez, this process was more complex than the specifications provided by ERS to the contractor indicated. For example, more exceptional cases needed to be included in the program. However, again, by contracting with an outside firm, the City is seeking expertise in an area. Thus, the contract should have specified that the contractor would assume responsibility for successful implementation of the database system, and this should not be an extra cost to the City. Therefore, the Supplemental Appropriation should be reduced by $69,200, for the additional programming requirements.

11. When the original contract was approved in November 1991, Mr. Kieran Murphy of ERS advised that Towers, Perrin, Forster and Crosby was selected because, of the six firms that bid on the contract, Towers, Perrin, Forster and Crosby was the only firm that orally agreed to keep its fees below the $1.36 million allocated for the contract budget. Yet, because of the changing specifications of the contract, this same contractor is preparing to charge the City $3,109,052. At this point, it would be difficult to select another contractor to complete the project, which again creates an incentive for the contractor to exaggerate their costs, even though the contractor may be totally diligent.

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The proposed Supplemental Appropriation includes $215,600 to supervise the data processing staff, at $220 per hour for 980 hours, $316,800 for project management, at $330 per hour for 960 hours, and $16,500 for secretarial support staff and coordination, at approximately $143 per hour for 115 hours, for a total supervision, support and management cost of $548,900. These costs include only the consultant's personnel. At $220 per hour, the full-time equivalent salary would be $457,600 per year. At $330 per hour, the full-time equivalent salary would be $686,400 per year. Mr. Hernandez advises that the average rate for this contract, to date, is $81 per hour. However, as indicated above, secretarial support, rent, furnishings and equipment and training would all be additional separate costs for the City. By contrast, the Budget Analyst charges the Board of Supervisors $60.96 per hour, a rate that includes secretarial support as well as all other costs. The tasks performed by the consultant are the same as those performed by ERS on a routine basis at a much lower cost, and ERS originally planned to perform project management and supervision in-house. Because the consultant's hourly rates are exorbitant, and because ERS is able to perform secretarial, supervisory and management tasks in-house at a much lower cost, the proposed Supplemental Appropriation should be reduced by $548,900. If the Board of Supervisors chooses to allow some consultant, secretarial, and management costs to be included in the revised budget, ERS personnel should, or other existing City employees should be requested to perform these tasks, while the consultant should instead perform calculation or other tasks at $47 to $60 per hour.

12. According to Ms. Murphy, the contractor has already begun to perform the secretarial, supervisory and management tasks at the hourly rates noted above, without the authorization of the Board of Supervisors.

13. According to Mr. Hernandez, each employee interview should be lengthened to one and one-half hour, rather than the one and one-quarter hour included in the original project budget. The original budgeted cost for individual interviews was $220,000, or 2,200 interviews times 1.25 hours times $80 per hour, with no costs for leased space or the purchase of furniture. ERS now estimates that 3,500 employees will request individual interviews, an increase of 1,300, or 59 percent. The proposed budget includes an increase of $395,300 for individual interviews, for a total of $615,300, as follows:

Individual Meetings (3,500 for 1.5 hours @ a reduced hourly rate of $60)	$315,000	
Recruitment for Add'l Interviewers	10,000	
Training	54,000	
Data Processing and Preparation	136,300	
Receptionist (40 hours/week x 10 wks x $50 per hour)	20,000	
On-Site Supervisor (40 hours/week x 10 wks $75 per hour)	30,000	
Workforce Manager (20 hours/week x $200 per hour x 10 wks)	40,000	
Out-of-Pocket Related Expenses	10,000	
TOTAL		$615,300

According to Ms. Murphy, the average interview time for an employee who has initiated the retirement process, and thus may be more aware of his benefits and more sure about his decision to retire, is 45 minutes plus $^1/_2$ hour preparation time, or a total of one and one-quarter hours. However, for the early retirement program, ERS is conducting group meetings, where employees may ask general questions regarding retirement and early retirement. In that ERS is conducting these group meetings, which are not regularly offered to retirees, individual interviews for those eligible for early retirement could be limited to equal or less time than interviews for those retiring under normal circumstances.

ERS advises that the consultant has reduced the hourly cost for conducting interviews from $80 to $60. In light of current budget constraints, interview time should be limited to one and one-quarter hours, as planned in the original budget, in which case the cost of conducting interviews would be $262,500, or $60 per hour times one and one-quarter hours times 3,500 interviews. Thus, the amount requested could be reduced from $315,000 to $262,500, a decrease of $52,500. Training and recruitment costs, at $64,000, should be denied, since it is the contractor's responsibility, upon being awarded a contract, to provide personnel able to perform the work in question. If the City must bear the costs of recruitment and training, then these tasks should be done in-house. Data processing and preparation, at $136,300, will be completed in an estimated 2,900 hours at $47 per hour. These tasks were originally to be completed by ERS. This amount should be denied and data processing should be done in-house, as originally planned, by existing City employees or by City temporary employees at a lower hourly rate. Supervision and a receptionist, at a total of $90,000, should be denied because the hourly rates for these services, at $50 per hour for a receptionist to $200 per hour for a manager, are exorbitant, and these tasks should be performed in-house by ERS or other existing City employees. The $10,000 in out-of-pocket related expenses would support the consultant's out-of-town recruiters and trainers living expenses. Since the consultant, and not the City, should be responsible for recruiting and training their professional staff, this $10,000 should be denied. In total, the individual interviews portion of the Supplemental Appropriation should be reduced $352,800, or $52,500 to deny an increase the interview time from one and one-half hours to one and one-quarter hours, $64,000 to deny recruitment and training costs for the consultant, $136,300 to deny data processing and preparation by the consultant, $90,000 to deny supervision and reception by the consultant, and $10,000 to deny out-of-pocket expenses for the consultant's recruiters and trainers.

14. $20,750 for individual interviews, leased space, and $19,500 for individual interviews, leased furniture, has also been included in the proposed budget. According to Mr. Hernandez, the furniture costs include leasing partitions so that potential retirees may have privacy during interviews. The additional leased space would accommodate the 59 percent increase in interviews. The $2,500 for a telephone would be for this new space, and $15,000 would purchase office supplies for this space and for the additional data processing space.

15. The telephone system, at $39,000, includes leasing for one additional month (January 1992) and AT&T use fees at a higher rate than originally anticipated. The additional month lease is needed to continue to respond to the high volume of calls, which have not diminished in January as originally anticipated.

16. Mr. Hernandez advises that the cost of leasing Microfiche and Film Readers, which was included in the original budget at $10,000 and the proposed budget at $18,500, for a total of $28,500, would have been $300 per month. ERS needed 37 such machines for one month 29 for three months, and several for the entire five month project. The monthly lease cost for 29 machines would have been $8,700, or $26,100 for three months, while the cost of purchasing these 29 machines was $25,000. Since the purchase price for three months was slightly less than the lease price, and since a portion of the machines are needed for the entire five-month period, ERS chose to purchase rather than lease the machines. For the one-month period when 37 machines were needed, ERS leased eight machines, at an additional cost of $2,400. The copy machine, included in the budget at $750, was leased for a period of three months.

17. The two bulletins ERS originally proposed to send included (a) an introductory letter to all departments and personnel offices informing them that early retirement was available and (b) an information kit to eligible employees. According to Ms. Murphy, 20,000 introductory letters were distributed in November 1991, and the information packet was mailed to eligible participants. The proposed third bulletin, at a cost of $5,500, would invite eligible participants to request an individual interview. Whether a bulletin encouraging employees to attend a costly individual interview should have been sent, or whether employees should instead have been encouraged to attend group meetings, and then left to make individual appointment only if necessary, is a policy matter. However, according to Ms. Murphy, the third bulletin has already been completed and mailed to eligible participants, although the Board of Supervisors had not authorized the additional expense.

18. $8,700 was included in the proposed budget to alter existing ERS forms so that they could be used for the early retirement program. This work has already been completed by the consultant.

19. The $35,000 in in-house data processing costs would transfer the database program and information to the City's system, allowing ERS to use the calculations in the future for those eligible employees who choose not to retire early, and to issue automated checks to those eligible employees who do choose to retire early.

Recommendations: (1) Prepare in and report out of Committee a policy of refusing to release funds for contracts that do not contain guaranteed levels of service and maximum costs, with appropriate exceptions.

(2) Whether a third bulletin encouraging employees to attend an individual interview, at a cost of $5,500, should be sent is a policy matter for the Board of Supervisors.

(3) Reduce the total proposed Supplemental Appropriation, of $1,793,764, by $1,379,414 in Contractual Services to $414,350 as follows:

- Final Calculations, at $264,400
- Training consultant employees in calculations, at $60,000
- Hardware and Software Purchase, at $84,114
- Programming, Data Transfer, Computer Time, at $69,200.
- Supervision of Data Processing Staff, at $215,600
- Project Management, at $316,800
- Secretarial and Support Staff, at $16,500
- Individual Interviews, at $352,800

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(5) Amend the proposed Supplemental Appropriation to appropriate these funds retroactively.

(6) Approve the proposed Supplemental Appropriation as amended.

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Item 5 - File 97-91-56

1. The proposed ordinance would amend the San Francisco Administrative Code by amending Section 16.6-10 to add certain organizations to the membership list of the Department of Public Health (DPH).

2. The proposed ordinance would authorize new memberships in the following three organizations:

	Annual Membership Fee
Laguna Honda Hospital	
National Association of Health Services Executives	$65.00
National Fire Protection Association	75.00
DPH	
San Francisco Public Relations Round Table	50.00
Total	$190.00

Comments

1. The DPH reports that membership in the National Association of Health Services Executives would (1) create opportunities for Laguna Honda and the DPH to better reach potential minority candidates for administrative positions and (2) provide access to seminars which provide a forum for the discussion of critical issues facing health services management. The DPH advises that membership in the National Fire Protection Association would permit Laguna Honda to receive technical bulletins and journals, product and fire safety information, seminar discounts and the National Fire Codes periodic updates at reduced rates. The DPH also advises that San Francisco Public Relations Round Table (PRRT) membership would afford the Department the opportunity to network with a varied group of public relations professionals in the corporate, media, non-profit and governmental communications areas. Additionally, the PRRT holds biweekly luncheon seminars in which local and national reporters speak to current issues.

2. The DPH, Central Administration has a total of $20,398 budgeted in its 1991-92 departmental budget for membership fees and the Laguna Honda Hospital has a total of $15,658 budgeted for this purpose. Ms. Cynthia Bautista of the DPH reports that funding for the membership fee in the San Francisco Public Relations Round Table is not included in the Department's budgeted funds for membership fees for 1991-92. However, Ms. Bautista advises that the $50.00 required for this membership fee could be paid for from surplus General Fund monies within the Department's existing 1991-92 budget. Mr. Evan Chan of the Laguna Honda Hospital reports that funding for the membership fees for the National Association of Health Services Executives and the National Fire Protection Association is included in the Hospital's 1991-92 budgeted funds for membership fees.

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3. The Board of Supervisors previously approved legislation (File 97-91-32) which amended Chapter 16, Article 6, Section 16.6, of the Administrative Code to establish certain procedures for the membership of City and County Boards, Commissions and Departments in organizations. These procedures require City Boards, Commissions and Department heads to submit annual reports of membership to the Mayor, the Controller and the Board of Supervisors by May 1 of each year. The annual report must list each organization in which the Board, Commission or Department is a member, along with the cost to belong to each organization and whether the cost is included in the Department's approved budget. In addition, this report must identify all organizations in which membership has been approved by the Board of Supervisors and list all organizations in which the Board, Commission or Department wishes to be a member, including the membership cost in the next fiscal year.

4. The author of the above noted legislation reports that the requirement that Departments submit an annual report, as described above, was intended to prohibit Departments from requesting authorization from the Board of Supervisors to include new organizations for membership to the City's Administrative Code throughout the fiscal year. In addition to providing information on existing memberships, the annual report would also provide the framework for Departments to request additional organizational memberships once a year, in connection with their departmental budget requests.

5. Since the DPH has not submitted an annual report as described above, given the intent of the above noted legislation, the Budget Analyst believes that the proposed ordinance should not be approved.

Recommendation

Do not approve the proposed ordinance.

Item 6 - File 97-91-57

Department:	Police Department
Item:	The proposed ordinance would amend Chapter 10 of the Administrative Code by adding Section 10.117-105, to establish a special fund for the receipt and expenditure of funds for the Amnesty-Surrender of Firearms Program.

Description: Section 10.117-105 would provide for the establishment of the Amnesty-Surrender of Firearms Program Special Fund, for the purpose of receiving all donations of money, gifts, grants and bequests which may be offered to the City for the benefit of this Program. Under this proposed legislation, monies from the special fund would be used for the purpose of making $50 payments to citizens for each firearm surrendered to the City. Monies from the special fund would also be expended for costs incurred in administering the Fund. The Police Commission, or its designee, would have the discretion to expend monies from the special fund for these purposes, subject to appropriation of the expenditures by the Board of Supervisors.

Any interest earned from the Amnesty-Surrender of Firearms Program Special Fund would remain in the Special Fund and would not be expended for any purposes other than those for which the Fund was established. The balance remaining in the special fund at the close of any fiscal year would be carried forward and accumulated for the purposes stated in the proposed legislation.

Comments: 1. Captain Anthony Ribera, of the Police Department reports that under the Department's Amnesty-Surrender of Firearms Program, a total of 1,570 firearms have been surrendered to date, which has resulted in $50 payments totalling $78,500, being paid from drug forfeiture revenues from the Special Narcotics Forfeiture Asset Seizure Fund. Of the total firearms which were surrendered, 240 were rifles, one of which was an AKA assault rifle and 1,330 were handguns, 415 of which were semi-automatic. Follow-up examination by the Police Department, of the firearms which were surrendered, revealed that 1,358 of the firearms were in operational condition (capable of being fired) and 212 were non-operational.

The Police Department is proposing to establish the proposed special fund for the purpose of receiving donations of money, gifts, grants and bequests, in order to continue the Amnesty-Surrender of Firearms Program. According to Captain Ribera, the Police Department has already received $3,000 in donations from the Chinatown business community to be used for this purpose. No General Fund monies would be used for this program.

Captain Ribera reports that, contingent upon the availability of funds from the proposed special fund, the Department is proposing to continue the Amnesty-Surrender of Firearms Program on a modified basis. The program would terminate when funds from the proposed special fund are exhausted or on April 3, 1992, whichever is sooner. Under the modified program, firearms could be surrendered at the Hall of Justice on Monday through Friday from 9:00 (instead of 8:00 a.m.) until 12:00 p.m. Individuals could continue to surrender firearms, with the exception of hunting type rifles and shotguns, with no questions asked, in exchange for a $50.00 payment. However, as a preventive measure aimed at deterring gun dealers from using the program to sell large quantities of unwanted guns, no more than three firearms could be turned in at one time. Captain Ribera acknowledges that on two separate occasions when the Amnesty-Surrender of Firearms Program first began, one individual surrendered 37 firearms and a second individual surrendered 25. Captain Ribera advises that the Department will examine all surrendered firearms closely to weed out and not accept or pay for those firearms that are non-operational.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 7 - File 101-91-31

Department:	Department of Public Health (DPH)
Item:	Ordinance adjusting revenue and expenditure appropriations for the Public Health Department in the General Fund, Tobacco Tax Fund, Health and Welfare Realignment Fund, Hospital Operating Fund and Laguna Honda Operating Fund, reflecting revenue adjustments for fiscal year 1991-92, resulting from State budget adoption.
Amount:	$114,432,371
Source of Funds:	State Vehicle License Fees $^1/_2$ Cent Sales Tax Revenues

Description:

The California Legislature approved a series of bills that comprise the realignment package (AB 948, AB 1288, AB 1491) in 1991. The realignment transfers responsibility for financing indigent, public and mental health programs from the State to the counties. (The realignment also increases the county share of cost for many social service programs. For more information on social service realignment, see the Budget Analyst's January 15, 1991 report to the Finance Committee (Item 8, File 101-91-32).

Currently, the DPH's indigent, public and mental health programs are administered locally with the following State funding sources: AB 8 and the Medically Indigent Services Program (MISP), which are part of the general revenues which support all DPH programs; State Legalization Impact Assistance Grant (SLIAG), Short Doyle MediCal and California Children's Services (CCS) revenues, which support eligible participants in various DPH programs; and Short Doyle, which provides general revenues to support DPH mental health programs. As a result of the realignment package approved by the California Legislature, there will be a loss of funds from AB 8, MISP, SLIAG, Short Doyle, Short Doyle Medical, and CCS, as follows:

CCS	$509,750	
AB 8	40,736,707	
MISP	22,493,808	
SLIAG	1,774,554	
Short Doyle	7,249,943	
Short Doyle MediCal	13,303,069	
Total Revenue Loss		$86,067,831

However, under the realignment, these revenues will be replaced with funds from increased vehicle license fees (VLF) and a 1/2 cent sales tax. Counties will receive allocations from realignment funds based on 1990-91 State expenditures from CCS, AB 8, MISP, SLIAG, Short Doyle, and Short Doyle MediCal.

Based on initial State revenue projections, the DPH anticipates to receive $114,432,371 from VLF and sales tax. This $114,432,371 represents an increase of $28,364,540 over the previous funding level from the above-listed grants of $86,067,831. The $28,364,540 additional funds includes $26,109,731 to support the addition of a State Hospital Beds program and skilled nursing facilities previously administered by the State. Thus, the increase to San Francisco, not including the $26,109,731 to support added program costs, if sales tax and VLF revenues are as high as anticipated, would be $2,254,809 ($28,364,540 less $26,109,731).

To ensure that realignment revenues are used for designated purposes, rather than absorbed into county general funds, counties are required to establish local Health and Welfare Trust Funds with three subaccounts: Mental Health, Health, and Social Services. Funds in the Sales Tax and VLF Subaccounts are allocated to these individual county level Health and Welfare Trust Funds.

In addition to the realignment, the State Legislature altered the legislation that implemented Proposition 99/Assembly Bill 75, Tobacco Tax. Proposition 99/AB 75, in part, requires follow-up medical services for the existing Child Health and Disability Prevention (CHDP) Program and provides funds for the California Health Care for Indigents Program (CHIP). The Legislature reduced San Francisco's 1991-92 Proposition 99 funding by $4,609,138 from 1990-91. This reduction is largely due to (1) reduced revenues at the State level, and (2) reallocation of Proposition 99 revenues to new programs.

DPH's 1991-92 budgeted expenditures have been reduced to offset some of the revenue loss, in the amount of $2,798,414. These reductions, which are pursuant to a formula developed by the State, include the elimination of reimbursements to private health care providers for services to indigents and the elimination of DPH administrative support for those payments, as follows:

Hospital Services	$1,583,000	
Physician Services	893,000	
Administrative Support	322,414	
Total Reductions		$2,798,414

Through these reductions, in the amount of $2,798,414, the shortfall resulting from the $4,609,138 reduction in Proposition 99 revenues is reduced to $1,810,724. The Department would offset this $1,810,724 shortfall with the $2,254,809 additional funds received through realignment, for a net decrease in the DPH's reliance on General Fund monies equal to $444,085 ($2,254,809 less $1,810,724).

Comments:

1. The DPH advises that the $2,254,809 increase in funds received through realignment, not including the $26,109,731 to support additional program costs, are largely the result of a cost of living adjustment that was not originally included in the City's budget because it was not included in the Governor's original budget for 1991-92.

2. The $26,109,731 to support additional program costs includes $7.5 million to contract with skilled nursing facilities to care for the City's mental health patients. Previously, these skilled nursing facilities were paid directly by the State. The remaining funds will be paid to State-run mental hospitals for the care of the City's mental health patients. Previously, the City was given an annual allocation of beds in State mental hospitals. According to Ms. Susan Ehrlich of the DPH, this reallocation will allow the City to be more responsive to the needs of the mentally ill, because the allocation of a pre-determined number of beds was more inflexible than the allocation of money.

3. Ms. Ehrlich advises that State revenue projections for VLF and sales tax may be optimistic, because, to date, the economy has failed to make the anticipated recovery. Because of the variable nature of sales tax and VLF, the amount of revenues which will be generated in all of 1991-92 cannot be accurately predicted at this time. If revenues are less than anticipated, the DPH and the Board of Supervisors will either need to reduce services or increase revenues for health care.

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4. According to Ms. Ehrlich, the DPH is assuming that revenues for 1992-93 would be sufficient to provide the same level of service as for the current year. However, Ms. Ehrlich advises that this assumption may or may not be correct, depending on the VLF and sales tax revenue.

5. As noted above, reimbursements to private hospitals and physicians for services to indigents and the administrative support for those payments have been eliminated, reducing expenditures by $2,798,414. Ms. Ehrlich advises that the DPH cannot anticipate the impact of these reductions because the Department has been unable to track whether reimbursements have been used to provide additional support to indigents, or whether reimbursements, instead, simply supported what would otherwise have been volunteer services by private hospitals and physicians to the poor. These cuts were implemented pursuant to a formula developed by the State.

6. If the Board of Supervisors disapproves the proposed ordinance, the result would be a loss of the State grant funds and a forfeit of the substituted sales tax and VLF revenues.

Recommendation: Approve the proposed ordinance.

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Item 8 - File 101-91-32

Department:	Department of Social Services (DSS)
Item:	Supplemental Appropriation Ordinance adjusting revenue and expenditure appropriations for the Department of Social Services in the General Fund, Welfare Assistance and Administration Fund, and Health and Welfare Realignment Fund, reflecting revenue adjustments, resulting from the State's budget adoption for Fiscal Year 1991-92.
Amount:	$25,854,129
Source of Funds:	State Vehicle License Fees 1/2 cent Sales Tax Revenues
Description:	The California Legislature passed a series of bills that comprise the realignment package (AB 948, AB 1288, AB 1491) in 1991. The realignment transfers responsibility for financing Foster Care, Adoption Aid, Aid to Families with Dependent Children, and GAIN programs from the State to the counties. (The realignment also increases the county share of cost for many public health programs. For more information on Public Health realignment, see the Budget Analyst's January 15, 1991 report to the Finance Committee, Item 7, File 101-91-31).

According to the provisions of the realignment, the State has reduced its traditional revenue allocations to DSS aid programs. To make up for the reductions, the State created a trust fund to be funded by the County's share of 1/2 cent sales tax revenues and increases in the vehicle license fees. Trust fund monies are then allocated to the Counties.

The proposed ordinance would decrease the budgeted amounts of State revenues for the various aid programs by $25,854,129, but at the same time, establish a new Social Services Realignment Fund with $25,854,129 in funds. Under the proposed legislation, previously appropriated funding in the following revenue sources would be reduced or reallocated, and a total amount of $25,854,129 would be reappropriated to the new fund, called the Sales Tax - Realignment Fund.

Existing Revenue Appropriations to be reallocated or (reduced):

AFDC - State Aid	$2,387,051
AFDC - State Administration	1,693,646
Aid for Adoption of Children	($581,906)
Food Stamp Program - State Administration	1,044,924
Gain Administration - State	(518,641)
In Home Support Services - State Aid	(948,840)
In Home Support Services - Federal Aid	(2,831,343)
Maintenance of Minors in Foster Homes - State	(18,184,128)
Title XX - Federal Administration	(7,914,892)
Net Revenue Appropriation reductions	($25,854,129)

Increases in Revenue Appropriations:

Sales Tax - Realignment Fund	$25,854,129

Comments:

1. Before the realignment, the DSS 1991-92 budget totalled $276,935,838, which consists of $188,716,804 in State and Federal Subventions and $88,219,034 in contributions from the General Fund. As a result of realignment, the State and Federal Subventions due to San Francisco decreased by $25,854,129, as reflected above. However, as noted above, the $25,854,129 reduction from State and Federal Subventions would be offset by the new Sales Tax and Vehicle License Fees deposited to the new Realignment Trust Fund. Therefore, the proposed legislation would result in no net increase or decrease in the local General Fund share of DSS's costs.

2. In future years, the allocation from the Realignment Trust Fund to San Francisco would depend on the amount of Sales Tax and Vehicle License Fee revenues collected. It is entirely possible in a given year that San Francisco's share of the Sales Tax and Vehicle License Fees may be insufficient to cover all of the budgeted DSS costs to which they are allocated. The City would then be required to increase the General Fund contribution to offset any shortfall.

Recommendation: Approve the proposed ordinance.

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Items 9 and 10 - Files 101-91-39 and 102-91-14

Department: Department of Social Services (DSS)

Items: Item 9 (File 101-91-39) is a Supplemental Appropriation Ordinance appropriating funds for various purposes including the creation of ninety-three positions.

Item 10 (File 102-91-14) is the companion ordinance amending the Annual Salary Ordinance to reflect the addition of ninety-three positions in the Department of Social Services.

Amount: $3,267,448

Source of Funds: Various State and Federal Revenue sources

Description: The Department of Social Services (DSS) is requesting a supplemental appropriation in the amount of $3,267,448 to fund the addition of 93 new positions, reduction in salary savings for approximately 31 positions (resulting in increased salary costs), and the costs of materials and supplies, and equipment for the 93 new positions. The new positions would consist of eligibility and social workers and support staff, positions which would enable DSS to reduce worker caseloads to near State workload guidelines.

According to DSS, all of the requested expenditures will be financed from increased State and Federal revenues that the State has allocated to San Francisco in its current budget. No additional General Fund revenues are being requested. The Department has submitted the following proposed budget for the requested funds:

Aid to Families with Dependent Children Program (AFDC):		
Permanent Salaries - Misc. The proposed funding would provide for 3 Senior Clerk Typists, 11 Senior Eligibility Workers, and 2 Eligibility Worker Supervisors. In addition, funding is included for 3 Senior Eligibility Workers currently unfunded due to salary savings.	$333,109	
Mandatory Fringe Benefits	90,345	
Total AFDC		$423,454

Boarding Homes and Institutions Program:		
Permanent Salaries - Misc.	$112,145	
The proposed funding would provide for 3 Senior Eligibility Workers, and 1 Eligibility Worker Supervisor. In addition, funding is included for 2 Senior Eligibility Workers currently unfunded due to salary savings.		
Mandatory Fringe Benefits	30,205	
Total Boarding Homes and Institutions		$142,350
Food Stamps:		
Permanent Salaries - Misc.	578,614	
The proposed funding would provide for 4 Senior Clerk Typists, 20 Senior Eligibility Workers, 5 Eligibility Worker Supervisors, and 1 Senior Eligibility Worker Supervisor. In addition, funding is included for 1 Senior Eligibility Worker and 1 Eligibility Worker Supervisor currently unfunded due to salary savings.		
Mandatory Fringe Benefits	155,134	
Total Food Stamps		733,748
MediCal:		
Permanent Salaries - Misc.	463,569	
The proposed funding would provide for 8 Senior Eligibility Workers, and 2 Eligibility Worker Supervisors. In addition, funding is included for 11 Senior Eligibility Workers and 2 Eligibility Worker Supervisors currently unfunded due to salary savings.		
Mandatory Fringe Benefits	124,713	
Total MediCal		588,282

General Assistance:		
Permanent Salaries - Misc. The proposed funding would provide for 4 Senior Clerk Typists, 26 Senior Eligibility Workers, and 3 Eligibility Worker Supervisors. In addition, funding is included for 2 Senior Eligibility Workers and 1 Eligibility Worker Supervisor currently unfunded due to salary savings.	$538,604	
Mandatory Fringe Benefits	146,281	
Total General Assistance		$684,885
Family and Children Services:		
Permanent Salaries - Misc. The proposed funding would provide for 8 Child Welfare Worker positions left unfunded due to salary savings.	212,444	
Mandatory Fringe Benefits	54,498	
Total Family and Children Services		266,942
Support Services:		
Telephone	100,558	
Materials and Supplies	115,008	
Equipment	1,800	
Data Processing/Word Processing Equip.	136,943	
Services of other Departments -Controller ISD	10,800	
Total Support Services		365,109
Aid to Homeless - Phase II:		
Program Project Budget Funds would provide for the expansion of an existing contract with Traveler's Aid to provide shelter for homeless families		62,598
TOTAL proposed expenditure appropriation		$3,267,368*

* The total proposed appropriation amount in the legislation adds up to $3,267,368, not $3,267,448 as requested. See Comment No. 1, below.

In addition, because of revised estimates of the State's allocation for Adult Assistance, the proposed Supplemental Appropriation Ordinance would reduce the revenue appropriation for "Adult Assistance - State Aid" by $20,000 and increase the General Fund Reserve by $1,112,476.

The proposed companion ordinance (file 102-91-14) would amend the Annual Salary Ordinance to reflect the addition of the following positions:

Class	Position	Bi-weekly Salary Range	FTE	Maximum Annual Salary	Total Maximum Salaries
Aid to Families with Dependent Children Program:					
1426	Senior Clerk Typist	956-1,158	3.00	$30,224	$90,672
2905	Senior Eligibility Worker	1,147-1,388	11.00	36,227	398,497
2907	Eligibility Worker Supvr	1,342-1,626	2.00	42,439	84,878
Boarding Homes and Institutions Program:					
2905	Senior Eligibility Worker	1,147-1,388	3.00	36,227	108,681
2907	Eligibility Worker Supvr	1,342-1,626	1.00	42,439	42,439
Food Stamps Program:					
1426	Senior Clerk Typist	956-1,158	4.00	30,224	120,896
2905	Senior Eligibility Worker	1,147-1,388	20.00	36,227	724,540
2907	Eligibility Worker Supvr	1,342-1,626	5.00	42,439	212,195
2946	Senior Elig. Wrkr Supvr	1,666-2,023	1.00	52,800	52,800
MediCal Program:					
2905	Senior Eligibility Worker	1,147-1,388	8.00	36,227	289,816
2907	Eligibility Worker Supvr	1,342-1,626	2.00	42,439	84,878
General Assistance Program:					
1426	Senior Clerk Typist	956-1,158	4.00	30,224	120,896
2905	Senior Eligibility Worker	1,147-1,388	26.00	36,227	941,902
2907	Eligibility Worker Supvr	1,342-1,626	3.00	42,439	127,317
	TOTAL		93.00		$3,400,407

Comments:

1. As noted above, the appropriation amount adds up to $3,267,368, not $3,267,448, as specified in the title of the legislation. The proposed ordinance should be amended to reduce the amount in the title by $80, from $3,267,448 to $3,267,368.

2. Also as noted previously, the proposed supplemental appropriation would have the effect of increasing the General Fund Reserve by $1,112,476. This is due to larger than anticipated State allocations of funds for DSS administration and aid program caseloads. These larger allocations directly offset the cost of administering such programs as MediCal, AFDC, and Food Stamps, and offset the General Fund contributions to these programs.

3. The proposed appropriation is calculated based on the assumption that DSS could fill the unfunded positions by November 1, 1991 and the new positions by December 1, 1991. The earliest possible date that the Department could fill the unfunded and new positions would be January 29, 1992, assuming the Mayor signed the legislation immediately after approval by the Board of Supervisors. According to Ms. Sally Kipper of DSS, the Department would not be able to fill the new positions until, at the earliest, the middle of February or the beginning of March. Furthermore, Ms. Dorothy Enisman of the DSS General Assistance (GA) Program reports that the earliest possible date that the Department could fill the GA Eligibility Worker positions would be March 1, 1992, when the next available training session could occur. Therefore, the proposed supplemental appropriation should be reduced in the following manner:

	From	To	Savings	Estimated Savings to General Fund
AFDC Program:				
Permanent Salaries - Misc.	$333,109	$243,986	$89,123	
Mandatory Fringe Benefits	90,345	68,284	22,061	
Total AFDC Program	$423,454	$312,270	$111,184	$16,678
Boarding Homes and Institutions Program:				
Permanent Salaries - Misc.	$112,145	$79,679	$32,466	
Mandatory Fringe Benefits	30,205	22,133	8,072	
Total Boarding Homes & Inst.	$142,350	$101,812	$40,538	6,081

	From	To	Savings	Estimated Savings to General Fund
Food Stamps:				
Permanent Salaries - Misc.	$578,614	$430,932	$147,682	
Mandatory Fringe Benefits	155,134	119,337	35,797	
Total Food Stamps	$733,748	$550,269	$183,479	$27,522
MediCal:				
Permanent Salaries - Misc.	$463,569	$306,159	$157,410	
Mandatory Fringe Benefits	124,713	85,000	39,713	
Total MediCal	$588,282	$391,159	$197,123	0
General Assistance:				
Permanent Salaries - Misc.	$538,604	$371,177	$167,427	
Mandatory Fringe Benefits	146,281	109,655	36,626	
Total General Assistance	$684,885	$480,832	$204,053	204,053
Family and Children Services:				
Permanent Salaries - Misc.	$212,444	$133,852	$78,592	
Mandatory Fringe Benefits	54,498	35,489	19,009	
Total Family and Children Services	$266,942	$169,341	$97,601	14,640
TOTAL recommended savings			$833,979	$268,974

Because MediCal costs are fully funded by the State, no savings would accrue to the General Fund from the recommended reductions in the MediCal Program. However, according to DSS, the General Fund would accrue 100 percent of the recommended savings for General Assistance and approximately 15 percent of the recommended savings for all other programs. Therefore, with the recommended savings, the contribution to the General Fund Reserve would increase by $268,974, from $1,112,476 to $1,381,450.

4. The proposed ordinance includes $62,598 for Aid to the Homeless. According to Ms. Kipper, DSS has experienced an increase in the number of homeless families it serves. The proposed funding would increase an existing contract with Traveler's Aid to provide increased bed capacity to serve the expanding homeless family population.

5. GA Program expenditures are entirely funded from General Fund monies. DSS proposes to spend $684,885 for 33 new and 3 unfunded positions. The Budget Analyst has recommended that the GA amount of $684,885 be reduced by $204,053, to $480,832. In addition, the Department has included a total of $98,766 that would be used to purchase associated materials and supplies, telephone equipment and computer terminals for the new positions in the GA Program. Given the General Fund financial problems of the City, as a policy alternative, the Board of Supervisors may wish to reduce the proposed supplemental appropriation further by deleting all of the 36 GA positions. Such a reduction would amount to $579,598 ($480,832 plus $98,766). This reduction would, in turn, increase the General Fund Reserve by that amount of $579,598. If the Board of Supervisors adopted this policy alternative, the contribution to the General Fund Reserve would further increase from $1,381,450 to $1,961,048.

6. However, the Budget Analyst also notes that GA Eligibility Workers work under the severest of workload conditions among Eligibility Workers employed by DSS. Caseloads have been reported as high as 450 cases per Eligibility Worker in the GA Program. The proposed Eligibility Worker positions for the GA Program are intended to reduce the effect of increasing caseloads and relieve some of the workload conditions that currently exist. Elimination of all of the 36 proposed GA positions would allow the severe workload conditions to continue and worsen as the General Assistance client caseload grows. Because deletion of the 36 GA positions would improve the City's General Fund financial position by $579,598, but at the same time, allow the severe GA workloads to continue and worsen as the GA client caseload grows, the decision to delete the GA positions from this supplemental appropriation request is a policy matter for the Board of Supervisors.

7. DSS presently maintains a contract with the Hospital Council of Northern California to furnish MediCal Eligibility Workers in their member hospitals in San Francisco. Due to increasing caseloads, the Hospital Council of Northern California has requested an additional nine Eligibility Workers and two Eligibility Worker Supervisors to be assigned to their hospitals. These positions are included under the MediCal Program. DSS reports that the Hospital Council, under the terms of the contract, will reimburse the City for all costs not reimbursed by the State. Therefore, the proposed Supplemental Appropriation includes 11 Eligibility Worker positions for the Hospital Council of Northern California.

8. The Electronic Information Processing Steering Committee has approved DSS's request to purchase the DP/WP equipment budgeted in this proposed legislation.

9. According to DSS, the State allocates both the State and Federal revenues that would be used to pay for the 93 new and 31 unfunded positions on a quarterly basis, and are calculated according to quarterly worker time studies conducted by DSS in February, May, August, and November of each year. The revenue estimates in this proposed supplemental appropriation assume that DSS would be able to fill the new and unfunded positions in time for the February time study. However, as previously noted, because of the timing of this legislation, if this ordinance is approved, DSS would not be able to fill the new and unfunded positions before the middle of February or the beginning of March. As a result, the City would not be reimbursed for DSS's administrative expenses for the quarter ending February 29, 1992. Mr. Miles Frazel of DSS estimates that, if DSS begins filling the positions on March 1, 1992, instead of on February 1, 1992, the Department would lose approximately $678,191 in State and Federal revenues. This loss would result in a reduction of the General Fund Reserve contribution proposed in this legislation by $678,191, from $1,381,450 (with amendments) to $703,259.

10. After realignment (See Item 8, File 101-91-32), the 1991-92 budget appropriation for DSS totals $276,935,838, which consists of $162,862,676 in State and Federal Subventions, $25,854,128 in Realignment Trust Fund appropriations, and $88,219,034 in contributions from the General Fund. For 1992-93, with the positions requested in this supplemental, DSS expects the Department's budget to increase by $5,092,472, from $276,935,838 to $282,028,310. DSS further expects State and Federal Subventions to increase by $5,523,281, from $162,862,676 to $168,385,957, and the General Fund contribution to decrease by $430,809, from $88,219,034 to $87,788,225.

11. As noted previously, this entire expenditure will be funded by 100 percent State and Federal revenues.

Recommendations: 1. Amend the proposed Supplemental Appropriation Ordinance File (101-91-39) to reduce the proposed expenditure amount by a total of $834,059 ($80 plus $833,979) from $3,267,448 to $2,433,389, as detailed in Comments Nos 1 and 3. Increase the contribution to the General Fund Reserve by $268,974, from $1,112,476 to $1,381,450, as detailed in Comment No. 3.

2. Approval of the 33 new positions and three unfunded positions, for a total of 36 positions, to be assigned to General Assistance Program is a policy matter for the Board of Supervisors.

3. If the Board of Supervisors wishes to delete the 36 GA positions, then reduce the amount of $2,433,389 further by $579,598, to $1,853,791, and increase the amount of the contribution to the General Fund Reserve by $579,598 for a total of $1,961,048. Approve the proposed Supplemental Appropriation Ordinance as amended.

4. Otherwise, approve the proposed Supplemental Appropriation Ordinance as amended in Recommendation No. 1.

5. If the Board of Supervisors chooses to delete the 36 GA positions, then amend the proposed Amendment to the Annual Salary Ordinance to delete the 36 positions allocated to the GA Program. Approve the companion Amendment to the Annual Salary Ordinance as amended (File 102-91-14).

6. Otherwise, approve the companion Amendment to the Annual Salary Ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 11 - File 128-91-3

Note: This item was transferred from the City Services Committee because it was determined to have fiscal impact on the City.

Department: Chief Administrative Officer (CAO)
Solid Waste Management Program

Item: Resolution approving the San Francisco County Hazardous Waste Management Plan (Final Draft)

Description: In 1986, the California State Legislature approved a bill requiring counties to plan for the reduction and management of hazardous waste through the year 2000 (AB 2948). San Francisco County, in collaboration with the Association of Bay Area Governments (ABAG), began to develop a County Hazardous Waste Management Plan (CHWMP), which includes the following programs and estimated costs:

- **Program Area 1 - Hazardous Material Use and Storage**
  The primary focus of this program is on hazardous materials, which are raw materials to be used in production. This program would promote full implementation of the San Francisco Hazardous Materials Permit and Disclosure Ordinance; develop a basis for future hazardous waste management programs with businesses and public agencies; provide hazardous materials information to the community and emergency response.
  Estimated Cost *Up to $2,000,000*

- **Program Area 2 - Hazardous Waste Handling, Storage and Classification**
  The primary focus of this program is hazardous waste, the unusable, hazardous by-products of production. This program recommends developing a hazardous waste classification program for local generators, including surveys of small quantity generators and the development of a guide to identify waste streams; implementing the Hazardous Materials Disclosure Ordinance with specific attention to wastes, including data management; and providing education and technical assistance to aid small quantity generator compliance.
  Estimated Cost *Up to $200,000*

- **Program Area 3 - Source Reduction and On-Site Waste Reduction**
  Promotes source reduction and on-site treatment and recycling through local data collection, review and incorporation of technical information; determination of relative public/private sector roles in providing education, technical/financial assistance, and incentives; and instituting a hazardous waste reduction task force.
  Estimated Cost *Up to $200,000*

- **Program Area 4 - Off-Site Hazardous Waste Management**
  Encourages provision of off-site management options appropriate to San Francisco, including a transfer station and collection services for small quantity generators; and review of the need for other facilities. Identifies the siting process, public/private sector roles in the intercounty agreement, including shared information on generation and management of hazardous wastes.
  Estimated Cost *Up to $200,000*

- **Program Area 5 - Household Hazardous Waste**
  Promotes responsible management of household toxics by monitoring the effectiveness of the collection project, assessing the establishment of decentralized collection facilities or services, and instituting a comprehensive educational program using a variety of media.
  Estimated Cost *Up to $50,000*

- **Program Area 6 - Illegal Management and Disposal**
  Recommends measures to prevent illegal disposal, including full implementation of the municipal refuse collection Waste Acceptance Control Program to minimize the amounts of hazardous waste found in refuse, making appropriate changes in enforcement efforts, and coordinating interagency data collection and analysis.
  Estimated Cost *Up to $200,000*

- **Program Area 7 - Identification and Cleanup of Contamination**
  Promotes timely, efficient cleanup of contamination by reviewing the San Francisco contaminated soils ordinance, expanding its provisions as warranted, and coordinating retrieval and analysis of data presently included in State, Federal, and local data bases.
  Estimated Cost *Up to $50,000*

- **Program Area 8 - Transportation**
  Ensures safe transport of hazardous materials and wastes through review of State data on incidents in and outside of San Francisco; inspection of hauler manifests, certification, and vehicle safety records; monitoring of rail safety; and exploration of appropriate expansion of the City's regulatory rule.

Estimated Cost	*Up to $20,000*

- **Program Area 9 - Emergency Response**
  Recommends measures to ensure proper emergency response coordination by permitted entities and coordinated interagency response efforts, by implementation of new State and Federal requirements; equipment improvements; education of small businesses; and application of discretionary provisions of existing laws and model ordinances.

Estimated Cost	*Up to $50,000*

- **Program Area 10 - New Materials and New Waste Streams**
  Promotes anticipation of trends in use of new materials and generation of new waste streams through coordinated data collection and analysis, establishment of a protocol to analyze the adequacy of existing programs, and assessment of local land use and planning mechanisms as a means to manage new materials and wastes.

Estimated Cost	*Up to $50,000*

- **Program Area 11 - Special Issues**
  Recommends steps to control risks to public health through effective execution of needed asbestos removals, implementation of hazardous waste release reporting, and assessment of measures needed to protect worker safety.

Estimated Cost	*Up to $200,000*

Total Estimated Cost	Up to $3,220,000

Comments:

1. If a Hazardous Waste Management Plan is not approved by the City, the State would have the authority to undertake action on any hazardous waste project that an applicant proposes to locate in the City without any City official or decision-making body having input into the decision, according to AB 2948. A draft of the Plan has been reviewed by the State and the Plan has been modified in response to this review. According to Mr. Bill Quan of the Solid Waste Management Program, the Final Draft must be approved by the Board of Supervisors before approval by the State. The

Solid Waste Management Program anticipates that the Plan will be approved by the State.

2. Based on the estimated costs prepared by Brown, Vence and Associates, a consultant to the Solid Waste Management Program, as reflected above, the total estimated cost of the proposed County Hazardous Waste Management Plan is up to $3,220,000. As a result, the Budget Analyst has determined that the proposed legislation would have a potential fiscal impact on the City. Implementation of the Hazardous Waste Management Plan is dependent on the allocation of funding in departmental budgets, and on departmental program priorities. Thus, according to the Plan itself, the Plan should be viewed only as a blueprint of the City's priorities should resources be available.

3. According to Mr. Quan, the Hazardous Waste Management Plan was subject to public review and comment. Mr. Quan reports that the Bayview Hunters Point, Visitacion Valley, and Little Hollywood areas all participated actively in modifying the Plan during the public comment period. In response to these comments, the Hazardous Waste Management Plan has been revised, and is now supported by the community, Mr. Quan advises.

4. The Solid Waste Management Program's Hazardous Waste Advisory Committee, a body appointed by the Board of Supervisors, has approved the Hazardous Waste Management Plan.

5. An Environmental Impact Report (EIR), sponsored by the Planning Commission, has been issued on the Hazardous Waste Management Plan. Ms. Barbara Sahm of the Planning Department reports that, in conformance with the California Environmental Quality Act, the EIR must state alternatives to a proposed program and state why those alternatives are infeasible, and the EIR must also identify significant environmental impacts and propose mitigation measures. Those mitigation measures must be either integrated into the program, or the reason that such measures are infeasible must be stated. Ms. Sahm advises that the Board of Supervisors as the decision-making body must find, formally, that alternative programs and those mitigation measures not integrated into the program are infeasible. Thus, alternative programs and the infeasible mitigation measures are summarized in the proposed resolution.

6. On January 7, 1992 the City Services Committee recommended approval of the proposed resolution. As indicated above, the proposed legislation will have a potential fiscal impact on the City.

Recommendation: Approval of the proposed County Hazardous Waste Management Plan is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 12 - File 100-91-1.15

Department: Port of San Francisco

Item: Request for release of funds placed on reserve for various positions in the FY 1991-92 Budget.

Amount: $166,186

Source of Funds: Port Commission Operating Expenses

Description:

1. The Port of San Francisco submitted this request for release of reserved funds to the Clerk of the Board of Supervisors in a letter dated January 6, 1992. Subsequently, the Port submitted a revised letter, dated January 10, 1992, amending certain position classifications, titles, and salary amounts. A schedule of those position classifications, titles, and salary amounts included in the revised request for release of reserved funds is attached. Our analysis is based on the revised request.

2. During the FY 1991-92 annual budget review, funding for 18 positions was placed on reserve pending the Port's submission of a report to the Finance Committee on the proposed Port reorganization. Of those 18 positions, 13 are designated as new positions and 5 are substitute positions.

3. Of the 13 positions designated as new, the Port of San Francisco is requesting funding for the first eight positions listed in the attachment. Funding for the other 10 positions, five of which are new positions and five of which are substitute positions, would remain on reserve. As shown in the attachment, the amount currently reserved for the 13 new positions is $599,688, which was to provide funding for those positions for a total of 10 months during FY 1991-92. Also shown in the attachment is the amount of $166,186 for funding the requested eight new positions for a total of five months, commencing February 1, 1992. The amount currently reserved for the eight positions for the 10 month period is $376,353.

Comments:

1. According to Port staff, the eight positions now being requested for release of funds were established to generate revenue and to maximize financial and staff resources. In its revised letter requesting the release of reserved funds, the Port has provided an estimate of the annual revenues that each requested position would generate. The Port's representations of the sources and estimated amounts of those additional annual revenues are as follows:

Budgeted Position	Classified Position	Annual Revenues/Savings
AA15 Leasing Agent	9395 Assistant Rental Manager	$1,615,000. Revenues would be realized from leasing projects such as the California Cafe parking lot and renegotiation of tenancies at Piers 9 and 46B.
AA16 Senior Leasing Agent	9386 Senior Property Manager, Port	Included in the above revenue figure.
AA17 Promotions Specialist	9391 Public Relations Representative	$50,000. Revenues would be realized from additional events of the scale of Fleet Week that would be generated by the requested position.
AA17 Promotions Specialist	9391 Public Relations Representative (TX'd to 9356 Wharfinger)	$50,000. Revenues would be realized from billing and collecting revenues from transient berthing, marketing of berths, and more effective enforcement of fishing boat and passenger liner tariffs.
AA21 Publications Coordinator	9391 Public Relations Representative	$250,000. Revenues would be realized by freeing the Legislative Affairs & Communications Manager to obtain grants and focus on dredging issues that protect existing Port revenues and keep dredging costs affordable.
AA22 Financial Analyst	1823 Senior Administrative Analyst	$4,092,720 over an 18 year period, or an average of $227,373 per year. Revenues would be realized by permitting the Port's Fiscal Officer to work on the refinancing of Port Revenue Bonds, which the Port estimates to have net a present value savings in excess of $4 million.
9396 Commercial Property Manager	9386 Senior Property Manager, Port	$850,000. Revenues would be realized from leasing space at the Pier 45 Seafood Center, which is currently under construction.
9393 Sales Manager	9393 Cargo Sales and Marketing Representative	$100,000. Revenues would be realized from increased cargo accounts generated by the position.

2. Based on the Port's representations, a minimum of $2,915,000 in additional annual Port revenues would be realized from filling the subject positions. Additionally, according to the Port, $4,092,720 in interest savings over an 18 year period, or an average of $227,373 per year, would be realized by filling the Senior Administrative Analyst position. However, the Budget Analyst cannot substantiate the Port's representations as to the additional revenues or savings that would be achieved.

3. As previously stated, the Finance Committee placed funding for the subject positions on reserve pending the Port's submission of a report on its proposed reorganization to the Committee. The Port has not yet submitted the requested report to the Finance Committee.

4. Although the Port of San Francisco reports that substantial annual savings would be realized by funding and filling the positions requested, the subject positions should be included in the overall evaluation of the worthiness of the Port's reorganization. The Budget Analyst is of the opinion that the time required to submit the requested reorganization plan, if such reorganization continues to remain the Port's intent, would not materially decrease the Port's revenues.

Recommendation: Because the Port has not submitted the previously requested reorganization report to the Finance Committee, the Budget Analyst recommends that funds presently held on reserve for the subject positions continue to be held on reserve.

Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Kent Sims
Adelle Foley
Ted Lakey

Attachment

SAN FRANCISCO PORT COMMISSION

REQUEST FOR RELEASE OF POSITIONS RESERVED

RESERVE SCHEDULE

	BUDGETED	CLASSIFIED	Amount Budgeted Reserved	Amount Release Requested
1.	AA15 Leasing Agent	9395 Asst. Rental Manager	$45,825	$ 19,650
2.	AA16 Senior Leasing Agent	9386 Sr. Property Manager, Port	$50,743	$ 22,750
3.	AA17 Promotions Specialist	9391 Public Relations Rep	$ 40,145	$ 18,809
4.	AA17 Promotions Specialist	9391 Public Relations Rep (TX to 9356 Wharfinger)	$ 40,145	$ 18,809
5.	AA21 Publications Coordinator	9391 Public Relations Rep	$ 38,415	$ 18,809
6.	AA22 Financial Analyst	1823 Sr. Admin. Analyst	$ 54,184	$ 20,633
7.	9396 Commercial Property Manager	9386 Senior Property Manager, Port	$ 53,972	$ 22,720
8.	9393 Sales Manager	9393 Cargo Sales & Marketing Rep	$ 52,924	$ 24,006
9.	9376 Market Research Specialist	9376 Market Research Specilist (Reserved released 12/6/91)	$ 43,339	$ 0
10.	AA18 Regulatory Specialist	AA18 Regulatory Specialist	$ 40,145	$ 0
11.	AA19 Manager, Business Services	AA19 Manager, Business Services	$ 48,122	$ 0
12.	AA20 Training & Safety Coordinator	AA20 Training & Safety Coordinator	$ 38,805	$ 0
13.	9393 Sales Manager	9393 Cargo Sales & Marketing Rep	$ 52,924	$ 0
			$599,688	$166,186

The amount of the reserve for release is budgeted for five months at step 3.

C A L E N D A R

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RECESSED MEETING OF FINANCE COMMITTEE

BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 15, 1992 – 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: BARBARA STAVRO-TAYLOR

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

1. File 101–91–33. [Government Funding] Ordinance appropriating $14,053, Department of Public Health, for permanent salaries–miscellaneous, rescinding $14,053 from permanent salaries–miscellaneous, for the creation of one position and deletion of one position; companion measure to File 102–91–13. RO #91089A (Controller)
(Cont'd from 1/10/92)

ACTION: AMENDED. RECOMMENDED AS AMENDED. Reduce appropriation to $13,035. (Correct title to read "13,035")

2. File 102–91–13. [Public Employment] Ordinance amending Annual Salary Ordinance, 1991–92, Department of Public Health, Central Office, reflecting the addition of one position and deletion of one position to reflect changes in the State budget as a result of realignment and reauthorization of Proposition 99. (Civil Service Commission)
(Cont'd from 1/10/92)

ACTION: RECOMMENDED.

3. File 146–91–84. [Grant – State Funds] Resolution authorizing the Department of Public Health, Bureau of Health Promotion and Education, to apply for, accept and expend a grant allocation of $1,063,009, which will include indirect costs equal to 15% of personnel costs, from the State Department of Health Services for the continuation of the Comprehensive Tobacco Control Plan funded by AB 99 and to authorize amendments to the contract with the State regarding use of these funds. (Department of Public Health)
(Cont'd from 1/10/92)

ACTION: AMENDMENT OF THE WHOLE ADOPTED. "[Allocation – State] Authorizing the Department of Public Health, Community Public Health, Bureau of Health Promotion and Education, to accept a State allocation of $1,063,009, which will include indirect costs equal to 15% of personnel costs, from the State Department of Health Services for the continuation of the Comprehensive Tobacco Control Plan funded by AB 99 and to authorize amendments to the contract with the State regarding use of these funds." RECOMMENDED AS AMENDED.

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 13, 1992

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TO: Finance Committee

FROM: Budget Analyst - Recommendations

SUBJECT: January 15 1992 Recessed Finance Committee Meeting

Items 1 and 2 - Files 101-91-33 and 102-91-13

Note: These items were recessed from the January 10, 1992 Finance Committee Meeting.

Department: Department of Public Health (DPH)

Items: Supplemental Appropriation Ordinance appropriating $14,053 for permanent salaries - miscellaneous, rescinding $14,053 from permanent salaries - miscellaneous, for the creation of one position and the deletion of one position (File 101-91-33).

Ordinance amending the Annual Salary Ordinance for 1991-92 to reflect the addition of one position and the deletion of one position in the Department of Public Health, Central Office, to reflect changes in the State budget as a result of realignment and reauthorization of Proposition 99 (File 102-91-13).

Description: The State Legislature, in late 1991, strengthened the provisions of the Child Health and Disability Prevention (CHDP) Follow-up Treatment Mandate. CHDP is a State-funded fee-for-service program which provides well-child exams (check-ups). In order to receive Proposition 99 funds, the State requires counties to provide treatment for children referred from well-child exams and to document that treatment was received. CHDP health care referrals are usually for non-catastrophic illness, particularly dental care and the need for eyeglasses. The DPH assumes that the majority of follow-up care is provided by the physician who conducts the well-child exam, by City clinics, or through reimbursements from the California Health Care for Indigents Program, but no system for tracking follow-up care is in place.

The proposed ordinances would enable the DPH to add one 2588 L Health Worker IV, at an annual salary of $31,242 to $37,845, and to eliminate one 1720 Data Entry Operator, at an annual salary of $20,671 to $24,952. This substitution would allow the DPH to set up and maintain a tracking system for children referred from well-child exams. This substitution would also result in an annual salary increase at the top step of $12,893, not including fringe benefits.

Comments:

1.According to Ms. Ehrlich, approximately 20,000 children will receive well-child exams in 1991-92, of which approximately 1,500 will be referred for further treatment. The proposed Health Worker IV would set up a computerized database for tracking the approximately 20,000 children who receive well-child exams to record those who are referred for future treatment, tracking the approximately 1,500 children in need of further care, ensuring that follow-up treatment is received for those 1,500 children through follow-up contacts with the children's families and health care providers, and reporting to the State.

2. The total annual cost of the 2588 L Health Worker IV, at $37,803 to $45,792, including fringe benefits, is $12,791 to $15,600 more than the annual cost of a 1720 Data Entry Operator, at $25,012 to $30,192, including fringe benefits.

3. The DPH anticipates filling the requested new position by mid-February 1992, with approximately nine pay periods remaining until the end of the fiscal year. The cost for the position upgrade for nine pay periods, from mid-February to June 30, 1992, would be as follows:

2588 Health Worker IV		
Salary ($1,197 x 9)	$10,773	
Fringe Benefits @ 21 percent	2,262	
2588 Health Worker IV Total	$13,035	
1720 Data Entry Operator		
Salary ($792 x 9)	$7,128	
Fringe Benefits @ 21 percent	1,497	
2588 Health Worker IV Total	$8,625	
Total additional cost ($13,035 less $8,625)		$4,410

The Data Entry Operator position that is proposed to be eliminated is currently vacant, the DPH reports.

4. The source of funds for the proposed Health Worker IV would be reallocated Proposition 99 administrative funds.

5. The proposed supplemental appropriation (File 101-91-33) would reappropriate $14,053 in permanent salaries. However, the cost of a 2588 Health Worker IV for nine pay periods would be $13,035, or $1,018 less, than the proposed $14,053. Therefore, the proposed supplemental appropriation should be reduced by $1,018.

6. According Ms. Ehrlich, if the City does not meet the strengthened requirements of the CHDP through the substitution of a Health Worker IV for a Data Entry Operator, the City is at risk of losing Proposition 99 funds, at $12.4 million for 1991-92. Ms. Susan Ehrlich of the DPH advises that the State has announced that the State is required to conduct three audits per year in each county through a random sample of clients to enforce the strengthened requirements.

Recommendations: (1) Reduce the proposed supplemental appropriation by $1,018.

(2) Approve, as amended.

Item 3 - File 146-91-84

Note: This item was recessed from the Finance Committee meeting on January 10, 1992.

Department:	Department of Public Health (DPH), Community Public Health (CPH)
Item:	Resolution authorizing the Department of Public Health, to apply for, accept and expend a State grant allocation, which will include indirect costs equal to 15 percent of personnel costs, from the State Department of Health Services for the continuation of the Comprehensive Tobacco Control Plan funded by AB99 and authorizing amendments to the contract with the State regarding use of these funds.
Amount:	$1,063,009
Source of Funds:	State Department of Health Services - Tobacco Tax monies
Term of Allocation:	January 1, 1993 to June 30, 1994
Project:	Tobacco Control Plan (AB 99)
Description:	In January of 1991, the Board of Supervisors authorized the DPH to apply for, accept and expend $1,595,327 in grant funds for Phase III of the Tobacco Control Plan, for the period January 1, 1991 to December 31, 1992. Phase III involves the implementation of a Comprehensive Community Tobacco Intervention Program. This program is aimed at supplementing existing City and community-based services to target local tobacco control programs to the populations identified by State, including out-of-school youths, pregnant women, women with young children and minorities. Additionally, the program emphasizes tobacco use prevention, discontinuance of tobacco by current and relapsing smokers, and increasing compliance with existing ordinances controlling tobacco use in public facilities, the worksite and eating establishments. The proposed $1,063,009 would be used by DPH to extend the Comprehensive Community Tobacco Intervention Program (Phase III), from January 1, 1993 to June 30, 1994. The Department advises that the extended program would continue to be based on program services, policy and media activities aimed at the reduction of tobacco use.

AB 99 was recently passed by the State Legislature. This legislation requires that the State begin allocating Tobacco Tax monies to local jurisdictions prospectively (prior to the provision of services), on a quarterly basis, as opposed to the current practice of disbursing these monies on a cost reimbursement basis, as originally required under AB 75.

Local Match: None

Indirect Costs: 15% of personnel costs (not yet determined)

Comments: 1. The proposed State allocation does not require the City to submit an application. Therefore, the authorization for the DPH to apply for the proposed allocation should be deleted from the legislation.

2. As of the writing of this report, the DPH was unable to provide budget details for the expenditure of this allocation. Therefore, the proposed legislation should also be amended to delete the authorization for DPH to expend this allocation.

3. As noted above, under AB 99, the City would receive allocations from the State on a quarterly basis, prior to the provision of services. The City's existing contract with the State for the use of Tobacco Tax monies provides for the City to receive these monies on a cost reimbursement basis. As such, it will be necessary for the existing contract between the City and the State to be amended, to allow the State to allocate these monies to the City on a quarterly basis, prior to the City's provision of services. The proposed resolution would authorize such amendments to the contract between the City and the State.

4. Attached is a Summary of Grant Request, as prepared by DPH, for this proposed State allocation.

5. The DPH has prepared a Disability Access Checklist which is in the file.

Recommendation: Amend the proposed legislation to delete the authorization for the DPH to apply for and expend the proposed State allocation and approve authorization for the DPH to accept the State allocation and the authorization of amendments to the contract with the State regarding the funds.

Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Kent Sims
Adelle Foley
Ted Lakey

Item No. ____ **Health Commission - Summary of Grant Request** Rev. 4/10/90

Grantor: California Dept. of Health Services
Contact Person: Carol Russell
Address: CDHS, Tobacco Control Section, 2nd Flr
6007 Folsom Blvd, Sacramento 95819
Amount Requested: $ 1,063,009
Term: From Jan. 1, 1992 To June 30, 1994
Health Commission: ____

Division: Community Public Health
Section: Bureau of Health Promotion
Contact Person: Alyonik Hrushow
Telephone: 554-9155
Application Deadline: No application required
Notification Expected: Prospective Allocation mandated per AB99
Board of Supervisors: Finance Committee ____
Full Board ____

I. Item Description: (Circle appropriate words)
Request to [✓ (apply for)] [✓ (accept and expend)] a (new) [✓ (continuation)] [✓ (allocation)] (augmentation to a) grant in the amount of $1,063,009 from the period of Jan 1, 1992 to June 30, 1994 to provide comprehensive tobacco control services.

II. Summary: ([illegible])
This prospective FY 91-92 allocation is mandated by AB99 and represents an extension of the existing comprehensive tobacco control plan (FY 89-90, 90-91 funds) which is effective through 12/31/92. The State Dept. of Health Services will be requiring a supplemental plan by April 1, 1992. The supplemental plan will be effective through June 30, 1994.

III. Outcomes/Objectives:
The supplemental tobacco control plan guidelines have not yet been developed. However, the plan will continue to be based on program services, policy, and media activities to reduce tobacco use.

IV. Effects of Reduction or Termination of These Funds:
This prospective allocation is mandated by AB99.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount	1,603,952	1,878,048 *	1,063,009	-532,318	0	
Personnel	641,790	907,471				
Equipment	1,635	3,250				
Contract Svc.	699,435	652,517				
Mat. & Supp.	63,749	67,375				
Facilities/Space	21,000	41,238				
Other	80,074	70,076				
Indirect Costs (15% of Personnel)	96,269	136,121				
VI. Data Processing ([illegible])	14,606	0				
VII. Personnel						
F/T CSC	6	6	6			
P/T CSC	12	12	12			
Contractual						

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
Bureau of Environmental Health, State Mental Health Grant, SFGH.

Will grant funded employees be retained after this grant terminates? If so, How?
NO

VIII. Contractual Services: Open Bid X Sole Source ____ (If sole source, attach Request for Exemption Form)

* $1,878,048 INCLUDED THE 2ND STATE ALLOCATION OF $1,595,327 PLUS $282,721 OF SAVINGS CARRIED OVER FROM THE PHASE I/PHASE II PLAN BUDGET (COLUMN A).

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SPECIAL

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DOCUMENTS DIVISION, CIVIC CENTER

CALENDAR

SPECIAL MEETING OF

FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

THURSDAY, JANUARY 16, 1992 – 10:00 A.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: BARBARA STAVRO–TAYLOR

1. File 100–91–9. Hearing to consider a mid–year budget review, consisting of an assessment of the impact of the current economic recession on the fiscal integrity of City operations and the 1991–1992 budget. (Supervisor Gonzalez)

   ACTION: HEARING HELD. CONTINUED TO RECESSED MEETING FEBRUARY 5, 1992.

Public Library, Documents Dept
ATTN: Gerry Roth

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 · TELEPHONE (415) 554-7642

January 15, 1992

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TO: Finance Committee

FROM: Budget Analyst - [illegible]

SUBJECT: January 16, 1992 Special Finance Committee Meeting

Item 1 - File 100-91-9

This item is a hearing to consider a mid-year budget review, consisting of an assessment of the impact of the current economic recession on the fiscal integrity of City operations and the 1991-92 budget.

The five largest General Fund departments in the City, which includes the Department of Public Health (DPH), the Municipal Railway (MUNI), the Department of Social Services (DSS), the Police Department and the Fire Department, have been requested to attend the Special Finance Committee Meeting on January 16, 1992 to present information regarding the status of their Fiscal Year 1991-92 budgets. Where relevant, the issues of Police overtime, workers compensation, City Attorney interdepartmental reimbursements, General Assistance and Federal and State funding shortfalls should be addressed by these departments.

The amount of the 1991-92 Fiscal Year General Fund budget included in the City's $2.4 billion total 1991-92 Fiscal Year budget is approximately $1.3 billion. The 1991-92 Fiscal Year budgets, and the number of full-time authorized positions, as approved by the Board of Supervisors, for the five largest General Fund departments, are as follows:

Department	Amount	Number of Full-Time Authorized Positions
DPH	$489.9 million	5,870
MUNI	279.6 million	3,338
DSS	276.9 million	1,275
Police	184.6 million	2,468
Fire	149.4 million	1,605
Totals	$1,380.4 billion*	14,556**

* Includes non-General Fund monies.

** Total full-time authorized positions for all City Departments in Fiscal Year 1991-92 is 25,094.

On January 13, 1992, the Controller's Office issued their fourth Critical Financial Issues report, which tracks key items for Fiscal Year 1991-92 through November, 1991. The key revenue items include property transfer taxes, traffic fines and MUNI fares and the key expenditure items include Police overtime/extended work week, General Assistance, Workers Compensation, City Attorney departmental reimbursement and Superior Court fees and compensation. The following is provided as additional information on various key expenditure items:

Police Department Uniform Overtime and Extended Work Week

The Controller's Critical Financial Issues Report for the period July 1, 1991 to November 30, 1991 states that the Police Department has spent $3.989 million out of the twelve-month budget of $4.465 million for uniform overtime and extended work week. The Controller's report adds that the Department intends to recover $500,000 from the Housing Authority and transfer $1.2 million from unspent salary and fringe benefit savings to offset the anticipated need for a supplemental appropriation.

According to the Police Department's estimates, which are largely substantiated by spending trends this fiscal year, an overexpenditure of $3.7 million for uniform overtime and extended work week (overtime payments for such items as events and demonstrations) can be anticipated even after the transfer of $1.2 million in excess salary and fringe benefit savings and $500,000 collections from the Housing Authority described above.

In addition to overtime and extended work week, the Department expects to overspend Holiday Pay by approximately $300,000 and uniform differential pay by an unspecified amount. Some of these overexpenditures, totalling approximately $4.0 million, will be offset by savings in other accounts. The amount of such savings cannot be estimated at this time.

The Chief of Police has reportedly instituted new controls on expenditures for extended work week and certain types of overtime. For instance, no extended work week pay will be authorized for anything other than demonstrations and planned special events (such as Cinco de Mayo and the Gay Freedom Day Parade). Special law enforcement projects which have formerly been conducted by officers assigned to extended work week duty will now be conducted by on-duty details.

Miscellaneous overtime expenditures will also no longer be authorized without prior approval by a Deputy Chief. However, this is a small portion of total overtime expenses. Most uniform overtime is subject to limited management control over such matters as court appearances (primarily scheduled by the District Attorney), arrest time and investigations.

General Assistance

The Department of Social Services appropriation for General Assistance aid payments for FY 1991-92 is $42,819,374. In the annual budget review, the Budget Analyst had commented that the proposed appropriation for General Assistance was understated by between $3.5 to $5 million.

As of November 30, 1991, General Assistance expenditures have totalled $19.9 million. At current rates of expenditure and projected caseload trends, the Budget Analyst estimates that a supplemental appropriation of between $6.1 million and $7.5 million will be required for the balance of this current 1991-92 Fiscal Year. Our projection is consistent with the five months of experience of GA expenditures used by the Controller's Office, which is estimating a supplemental appropriation in an amount ranging from $6 million to $8 million.

Workers Compensation

The Fiscal Year 1991-92 budget includes a total of approximately $20,691,000 for workers compensation expenses. Of this amount, approximately $17,577,000 is for General Fund and General Fund supported departments (i.e., MUNI, Laguna Honda and General Hospital) and $3,114,000 is for Special Fund departments. Through the first six months of this fiscal year, December 31, 1991, a total of approximately $12,193,000, or 69 percent of General Fund expenditures and $2,069,000 or 66 percent of Special Fund expenditures has been spent for workers compensation. As a result, a supplemental appropriation of additional workers compensation funds for both the General Fund and Special Funds will be required this fiscal year. The General Fund supplemental appropriation is projected to be approximately $8 million.

The Chief of Police reports that he intends to re-assign two Inspectors to investigate workers compensation abuses in the Police Department. In the last fiscal year (1990-91), the Police Department accounted for $600,000 of the total Citywide supplemental appropriation for workers compensation payments.

In response to legislation adopted by the Board of Supervisors in September, 1991, a workers compensation task force has been created to act in an advisory capacity to the Mayor and the Board of Supervisors regarding containment of workers compensation costs. This task force is currently reviewing studies and previous task force recommendations in order to provide recommendations to the Mayor and the Board which could be incorporated into the City's 1992-93 budget.

City Attorney Departmental Reimbursement

The Controller's Critical Financial Issues report for the period July 1, 1991 through November 30, 1991 identifies that the City Attorney's Office has expended $4.683 million of the total twelve-month budget of $9.696 million for various departments. This Controller's report concludes that, similar to the 1990-91 fiscal year, when supplemental appropriations from various departments were required for City Attorney services, the City Attorney will again require a supplemental appropriation for fiscal year 1991-92. The Controller reports that new personnel requisitions for the City Attorney's Office are being monitored closely and that some surplus transfer of funds may be available to offset some of these additional City Attorney expenditures. Nevertheless, it is likely that a supplemental appropriation of $500,000 to $1.0 million may be required for additional City Attorney services this fiscal year.

On November 27, 1991, the Mayor's Office, the Controller and the Budget Analyst issued a joint report projecting a $91.7 million shortfall for Fiscal Year 1992-93.

The Budget Analyst, the Controller and the Mayor's Budget Director will work jointly to develop policy and fiscal recommendations to the Board of Supervisors and the Mayor for the first week of February, 1992 regarding adjustments or modifications in order to formulate recommended reductions to address any projected shortfall in the current 1991-92 Fiscal Year budget. These recommendations may also assist in addressing next year's 1992-93 projected budgetary shortfall.

Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Kent Sims
Adelle Foley
Ted Lakey

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CALENDAR
MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 22, 1992 – 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN
ABSENT: SUPERVISOR GONZALEZ – Items 1a–1k; SUPERVISOR SHELLEY – Item 10

CLERK: BARBARA STAVRO–TAYLOR

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

a. File 23–91–6. [Claims Against the Government] Resolution waiving the Statute of Limitations with respect to a warrant of the City and County of San Francisco, in the sum of $812.49 a legal obligation of the City and County of San Francisco. (Department of Public Health)

b. File 38–91–23. [Acceptance of Gift] Resolution accepting a cash gift of $81,653.30 from the Estate of Hester B. Collins to be used for patient activities at Laguna Honda Hospital. (Department of Public Health)

c. File 61–91–7. [Contract Award Extension] Resolution granting extension of time for awarding San Francisco Municipal Railway Contract No. MR–868, Metro Center Improvement – Track Switch Electrification and Replacement. (Public Utilities Commission)

d. File 146–91–87. [Grant – Private Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, Family Health Bureau, to apply for, accept and expend a grant of $358,922, which includes indirect costs in the amount of $1,700 based on one percent of personnel costs, from the California Family Council, Inc., for Family Planning Services for Women; providing for ratification of action previously taken. (Department of Public Health)

e. File 146–91–88. [Grant – Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, Family Health Bureau, to accept and expend a grant of $321,178, which includes indirect costs in the amount of $7,291 based on twenty percent of personnel costs, from the Centers for Disease Control, for Family Planning and HIV Services for Women. (Department of Public Health)

f. File 146-91-89. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, Family Health Bureau, to accept and expend a grant of $770,248, which includes indirect costs in the amount of $10,765 based on twenty percent of personnel costs, from the Centers for Disease Control, for Family Planning and HIV Services for Women. (Department of Public Health)

g. File 172-91-21. [Agreements] Resolution designating 72-Hour Evaluation and 14-Day Intensive Treatment Facilities, pursuant to the Welfare and Institutions Code 5150 and 5250 Et. Seq., and specifying the responsibilities of such facilities as specified by San Francisco Division of Mental Health, Substance Abuse and Forensic Services; the authorized facilities are Langley Porter Psychiatric Institute, San Francisco General Hospital, St. Mary's Hospital and Medical Center, Pacific Presbyterian Medical Center, St. Francis Memorial Hospital, Mt. Zion Hospital and Medical Center, and St. Luke's Hospital. (Department of Public Health)

h. File 172-91-22. [Indemnification Agreement] Resolution authorizing an indemnity provision in the cooperative agreement between the City of Daly City and the City and County of San Francisco, acting through the Public Utilities Commission. (Public Utilities Commission)

i. File 100-91-1.13. [Release of Funds] Requesting release of reserved funds, District Attorney, Family Support Bureau, in the amount of $90,000, to continue CASES joint maintenance arrangement with Santa Clara County. (District Attorney)

j. File 100-91-1.14. [Release of Funds] Requesting release of reserved funds, Department of Public Works, Bureau Street Cleaning and Urban Forestry, in the amount of $48,000, for hardware and software equipment, to implement the Local Area Network system. (Department of Public Works)

k. File 101-90-93.1. [Release of Funds] Requesting release of reserved funds, Department of Public Works, Clean Water Program, in the amount of $5,539,000 for construction services and contingencies of the Islais Creek Transport/Storage Facilities Contract "A". (Department of Public Works)

ACTION: Items 1a, 1c, 1d, 1f, 1g severed. Remainder Recommended.

Item 1a, File 23-91-6. Recommended.

Item 1c, File 61-91-7. Amended. "Granting extension of time for awarding San Francisco Municipal Railway Contract No. MR-868, Metro Center Improvement - Track Switch Electrification and Replacement, to March 31, 1992." Recommended as Amended.

Item 1d, File 146-91-87. Amended. "Authorizing the Department of Public Health, Community Public Health Services, Family Health Bureau, to apply for, accept and expend a grant of $358,922, which includes administrative costs in the amount of $1,700 based on one percent of personnel costs, from the California Family Council, Inc., for Family Planning Services for Women; providing for ratification of action previously taken." Recommended as Amended.

Item 1f, File 146-91-89. Amended. Add "placing $129,000 on reserve". Recommended as Amended.

Item 1g, File 172-91-21. Continued to February 5, 1992 (at request of Department)

REGULAR CALENDAR

2. File 97-92-1. [Grant Recipient Obligations] Ordinance amending Chapter 10 of the San Francisco Administrative Code by adding Section 10.170-6 thereto to require that in order to receive a grant from the City and County of San Francisco the recipient must not owe any taxes, fees or fines to the City and County. (Supervisor Gonzalez)

   ACTION: CONTINUED TO JANUARY 29, 1992.

3. File 170-92-1. [General Obligation Bonds] Resolution determining and declaring the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvement, to wit: construction and reconstuction of correctional facilities, that the estimated cost of $51,200,000 for said municipal improvement is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Migden)

   ACTION: HEARING HELD. CONTINUED TO RECESSED MEETING JANUARY 24, 1992, @ 2:00 P.M.

4. File 97-92-2. [Transfer of Sick Leave and Vacation Benefits] Ordinance amending Chapter 16, Article I of the San Francisco Administrative Code by amending Section 16.9-29(b) thereof, relating to transfer of sick leave and vacation benefits to catastrophically ill employees, by suspending, for employees retiring pursuant to Charter Section 8.517-2, the requirements that donors be allowed to transfer only once per pay period per recipient and the maximum numbers of hours that can be transferred in any pay period or year. (Supervisors Shelley, Achtenberg)

   ACTION: CONTINUED TO JANUARY 29, 1992.

5. File 97-92-3. [Transfer of Sick Leave and Vacation Benefits] Ordinance amending Chapter 16, Article I of the San Francisco Administrative Code by amending Section 16.9-29(b) thereof, relating to transfer of sick leave and vacation benefits to catastrophically ill employees, by suspending, for employees retiring pursuant to Charter Section 8.517-2, the requirements that donors retain a minimum of 64 hours of sick leave and the maximum numbers that can be transferred in a pay period or year. (Supervisors Achtenberg, Shelley)

   ACTION: CONTINUED TO JANUARY 29, 1992.

6. File 147-91-9. [Grant - Federal Funds] Resolution authorizing the City Librarian to apply for funds not to exceed $35,000 available from the United States Department of Education for a Project Read Tutor Support Program. (Public Library)

   ACTION: AMENDED. "Authorizing the City Librarian to apply retroactively for funds not to exceed $35,000 available from the United States Department of Education for a Project Read Tutor Support Program, which includes indirect costs in the amount of $1,212 or 5 percent of total grant." RECOMMENDED AS AMENDED.

7. File 147-91-10. [Grant - Federal Funds] Resolution authorizing the City Librarian to apply for funds not to exceed $35,000 available from the United States Department of Education for a Project Read Student Support Program. (Public Library)

   ACTION: AMENDED. "Authorizing the City Librarian to apply retroactively for funds not to exceed $35,000 available from the United States Department of Education for a Project Read Student Support Program, which includes indirect costs in the amount $1,644 or 5 percent of total grant." RECOMMENDED AS AMENDED.

8. File 147-91-11. [Grant - Federal Funds] Resolution authorizing the City Librarian to apply for funds not to exceed $35,000 available from the United States Department of Education for a Project Read Outreach Program. (Public Library)

   ACTION: AMENDED. "Authorizing the City Librarian to apply retroactively for funds not to exceed $35,000 available from the United States Department of Education for a Project Read Outreach Program, which includes indirect costs in the amount $1,383 or 5 percent of total grant." RECOMMENDED AS AMENDED.

9. File 101-91-38. [Government Funding] Ordinance appropriating $4,015,003, Public Library, for various capital improvement projects, placing $1,374,805 on reserve. RO #91126. (Controller)

   ACTION: AMENDED. (Increase reserve to $1,529,805) RECOMMENDED AS AMENDED.

10. File 27-91-9. [Airport - Lease Modification] Ordinance approving modification of the South Terminal Principal Concession Lease and Agreement for retail merchandising sales between Host International, Inc. and City and County of San Francisco, acting by and through its Airports Commission. (Airports Commission)

    ACTION: RECOMMENDED.

11. File 101-91-36. [Government Funding] Ordinance appropriating $260,001,377, Airport Commission, for Program Project Budget, Bond Redemption, Capital Improvement Project (Groundside Improvements), debt service and professional and special services, rescinding $12,000,000 from various capital improvement projects. RO #91122 (Controller)

    ACTION: RECOMMENDED.

12. File 101-91-41. [Government Funding] Ordinance appropriating $86,169, Mayor's Office, for other contractual services, providing for ratification of action previously taken. RO #91136 (Controller)

    ACTION: HEARING HELD. CONTINUED TO JANUARY 29, 1992.

13. File 101-91-37. [Government Funding] Ordinance appropriating $660,000, Municipal Railway, for other fringe benefits. RO #91125. (Controller)

ACTION: RECOMMENDED.

14. File 97-91-61. [Revolving Fund] Ordinance amending Administrative Code, by amending Section 10.169-5, to increase cash revolving fund for the San Francisco War Memorial to $4,000. (War Memorial)

ACTION: RECOMMENDED.

15. File 100-91-1.12. [Release of Funds] Requesting release of reserved funds, Recreation and Park Department, in an amount totalling $321,478 ($16,478 for a Payroll Clerk position for six months and $305,000 for operating scoreboard at Candlestick Park during the 1991 baseball and football seasons); companion to file 100-91-1.9. (Recreation and Park Department)
(Cont'd from 1/2/92)

ACTION: CONTINUED TO CALL OF THE CHAIR (at request of Department)

SPECIAL ORDER - 3:00 P.M.

16. File 100-91-7. Hearing to consider the status of the City's economic vitality and business climate. (Supervisors Gonzalez, Migden, and Shelley)
(Cont'd from 1/15/92)

ACTION: CONTINUED TO CALL OF THE CHAIR.

Public Library, Documents Dept
ATTN: Gerry Rot

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22/92

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 17, 1992

TO: Finance Committee

FROM: Budget Analyst - Recommendations

SUBJECT: January 22, 1992 Finance Committee Meeting

Item 1a - File 23-91-6

Item: Resolution waiving the statute of limitations with respect to payment of certain warrants of the City and County of San Francisco in the sum of $812.49, a legal obligation of the City and County of San Francisco.

Description: According to Section 10.181 of the San Francisco Administrative Code, a warrant issued by the City and County of San Francisco becomes void one year from the date issued. The payee of the warrant may present such warrants to the Controller for payment up to three years from the date that it was considered invalid, or four years from the original issue date. After that point, the Controller may no longer pay such warrants because the statute of limitations has expired, unless approval is obtained from the Board of Supervisors.

The proposed resolution would waive these statute of limitations and would authorize the Controller's Office to replace the following warrant:

Name	Issued	Warrant No.	Amount
Mrs. George J. Rossi	3/29/77	674435	$812.49

Comments: 1. This warrant was issued 15 years ago to the deceased spouse of the claimant, Dr. George J. Rossi. Mrs. Rossi is the beneficiary of Dr. Rossi. According to Ms. Evelyn Alava of the Controller's Office, Mrs. Rossi reports that she misplaced and never cashed the warrant, and has requested, on her own initiative, that the warrant be reissued.

2. Ms. Alava advises that the Controller's Office automatically cancelled this warrant, which had not been cashed one year after the original issue date. The Controller's Office has verified that it has made no payments on this warrant, Ms. Alava reports.

3. According to Mr. Henry Leigh of the Controller's Office, the City and County of San Francisco has sufficient funds to pay the $812.49 to Mrs. Rossi. Mr. Leigh reports that, when a warrant is automatically cancelled, the funds are placed in a special account for the replacement of the warrant upon request.

4. In December 1991, the Board of Supervisors denied a proposed resolution waiving the statute of limitations with respect to payment of certain warrants because the payees had been approached by Nelson-Brown Equities Inc., a private law firm that would have collected 50 percent of the warrant amounts in fees. Ms. Celeste Bell of the City Attorney's Office reports that Nelson-Brown Equities has filed a claim against the City for the payment of those warrants, and that the Superior Court is now deciding whether the City is mandated to pay any expired warrant upon request. Ms. Bell advises that since the payment of expired warrants is a discretionary matter for the Board of Supervisors, the Court may decide that payment of these warrants is not mandated. Nelson-Brown Equities is not involved with this request.

5. According to Mr. Ted Lakey of the City Attorney's Office, a legal obligation is not necessarily a mandated obligation.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 1b - File 38-91-23

Department: Department of Public Health, Laguna Honda Hospital

Item: Resolution accepting a cash gift for use by Laguna Honda Hospital.

Amount: $81,653.30

Source of Gift: Estate of Hester B. Collins

Description: Raymond Baxter, Director of Public Health, seeks approval of the Board of Supervisors to accept a cash gift of $81,653.30 from the Estate of Hester B. Collins to Laguna Honda Hospital.

Comments: 1. Mr. Evan Chan of the Finance Department of Laguna Honda Hospital reports that the Hester B. Collins bequest is an unrestricted gift.

2. According to Mr. Chan, gifts to the Hospital are deposited in the Laguna Honda Hospital Gift Fund. Expenditures from the Gift Fund are authorized by the Hospital's Executive Administrator, based on the recommendations of the Hospital's Gift Fund Committee, which consists of the Director of Nurses and two assistant administrators. These funds are used for non-operating expenses which benefit the patients of Laguna Honda Hospital. The City Attorney has provided Laguna Honda Hospital with a list of authorized expenditures from the Hospital's Gift Fund.

3. Mr. Chan indicates that the specific use to which the proposed Collins gift will be put cannot be determined precisely, except that it will directly benefit the patients at the Hospital. Mr. Chan explains that although the letter from the Director of Public Health to the Clerk of the Board indicated that the proposed Collins gift would be used for patient activities, this language was chosen only to provide an example of how the Gift Fund is used. Since the proposed Collins gift is unrestricted, it will be expended to provide a number of benefits to the patients, including patient activities.

Patient activities have included such items as day trips to restaurants and a boat trip to Marine World. Other uses for the Gift Fund have included provision of communications devices and other types of rehabilitation equipment which would otherwise be unavailable to Laguna Honda patients.

Recommendation: Approve the proposed resolution.

Item 1c - File 61-91-7

Department: Public Utilities Commission (PUC)
Municipal Railway

Item: Resolution granting extension of time for awarding San Francisco Municipal Railway (MUNI) Contract No. MR-868, Metro Center Improvement–Track Switch Electrification and Replacement.

Description: The proposed resolution would grant an extension of time for awarding a MUNI contract for Track Switch Electriciation and Replacement. The contract would automate the track switching and update from single point to double point tracks at the Green Center Yard at San Jose and Geneva Avenues. Section 6.1 of the Administrative Code stipulates that award of contracts over $50,000 must be made within 30 days after the receipt of bids unless the time for the award is extended by a resolution of the Board of Supervisors. Section 6.1 does not stipulate any specific time period for such an extension. Section 6.1 also provides for an additional 30-day period (for a total extension of 60 days) in order to implement or improve a qualifying affirmative action nondiscrimination program, as required by Section 12B of the Administrative Code. Bids for this Municipal Railway contract were received on October 1, 1991.

The second lowest bidder on the project, Stacy and Witbeck, Incorporated and Nationwide Construction Company, a Joint Venture, protested the low bid of Shimmick Construction Company and A. Ruiz Construction Company and Associates, Incorporated, a Joint Venture on the basis that the low bidder incorrectly executed Alternative A, the Buy America Certificate. The City Attorney's Office has reviewed the protest, and determined that the protest was without merit, since Shimmick Construction Company and A. Ruiz Construction Company and Associates, Incorporated, the low bidder, is in fact able to buy all components from U.S. manufacturers. Due to the time necessary to resolve the protest received, the Public Utilities Commission was unable to award the contract within 60 days following receipt of the bids.

Comments: 1. Mr. Ken Jew of the Public Utilities Commission (PUC) reports that the low bidder, Shimmick Construction Company and A. Ruiz Construction Company and Associates, Incorporated, has agreed to honor their bid beyond 60 days. Therefore, the proposed contract award extension would not result in any additional costs to the City. The proposed contract amount is $359,000, to be funded through the Federal Urban Mass Transit Administration. Shimmick Construction Company and A. Ruiz Construction Company and Associates, Incorporated isd a joint venture with MBE participation.

2. According to Mr. Jew, the earliest the contract could be in place, subject to approval by the Board of Supervisors, would be February 28, 1992. Mr. Jew indicates that the project would begin as soon as the contract is in place, and would be complete after eight months. Mr. Jew reports that the contractor is ready to proceed upon approval of the proposed resolution by the Board of Supervisors. In order to insure that the Department has sufficient time, Mr. Jew has requested that the proposed resolution be amended to grant the extension of time for awarding the proposed contract until March 31, 1992.

Recommendations: 1. Amend the title and body of the proposed resolution to grant the extension of time for awarding the contract until March 31, 1992.

2. Approve the proposed resolution as amended.

Item 1d - File 146-91-87

Department: Department of Public Health, Community Public Health Services Division, Family Health Bureau

Item: Resolution authorizing the Family Health Bureau of the Department of Public Health to apply for, accept and expend Federal funds administered by California Family Planning Council, Inc. to continue family planning and reproductive health services in San Francisco, including indirect costs of $1,700, based on one percent of personnel costs; and providing for ratification of action previously taken.

Grant Amount: $358,922

Grant Period: January 1, 1992 - December 31, 1992

Source of Funds: California Family Planning Council, Inc.

Project: Continued family planning, pregnancy testing, and reproductive health services through 17 Department of Public Health (DPH) sites.

Description: The proposed continuation grant would provide Federal funding for family planning services to low income residents of San Francisco. This funding has been provided since 1971 under Title X of the Public Health Services Act, and currently represents approximately 30 percent of family planning funds in San Francisco, which, together with funds provided by the State Office of Family Planning (45%) and the City and County of San Francisco's General Fund (25%), provides for approximately 13,100 patient visits annually at DPH sites. These sites include the district health centers, UCSF, the Special Programs for Youth (SPY) network of youth centers, women's shelters, and other sites. Services include medical examinations, pregnancy testing, contraceptive counseling, contraceptive supplies, and other aspects of reproductive health.

Grant Budget:

Personnel		FTE	Amount
2593	Health Program Coordinator III	0.8	$42,078
2591	Health Program Coordinator II	1.0	39,520
2328	Nurse Practitioner	0.8	43,347
2587	Health Worker III	0.5	14,079
	Personnel Subtotal	3.1	$139,024

Personnel	Amount	
Fringe Benefits	30,976	
Personnel Total		$170,000
Travel		$2,000
Operating Costs/Other		
Materials and Supplies	$20,222	
Equipment	2,000	
Total		22,222
Contractual Services		
UCSF Mandated Contract	$125,000	
Pharmacy and Cytology Services	38,000	
Total		163,000
Administrative Costs (1% of personnel)		1,700
Project Total		$358,922

Required Match: None

No. of Persons Served: The family planning program of the Bureau of Family Health expects to provide services for 13,100 patient visits by 6,716 unduplicated clients in calender year 1992. This grant provides approximately thirty percent of program funding, representing 3,930 patient visits by 2,015 separate clients.

Indirect Costs: It is the policy of the funding agency not to pay indirect costs, but the agency will award one percent of personnel costs to defray administrative expenses.

Comments: 1. Mr. Stephen Purser in the Family Health Bureau reports that these grant funds have been available since 1971, that the application process is informal, and that no documentation is required to receive the funds except a program report which is due before December 1 of each year. Mr. Purser reports that the most recent program report was submitted prior to December 1, 1991, and that the Bureau has received notification from the California Family Planning Council, Inc., a non-profit agency, that funds will be available for calender year 1992. Since no further application is required, approval of the proposed resolution would be a ratification of action previously taken.

2. The California Family Planning Council, Inc., located in Los Angeles, has administered Federal family planning funds throughout California since 1983, according to Mr. Purser.

3. Mr. Purser reports that in view of the funding agency's policy of not paying indirect costs but including payment to defray administrative expenses, the term "administrative costs" should be used in lieu of "indirect costs," and the proposed resolution should be amended to reflect this change. Mr. Purser reports that these funds will be deposited in the General Fund in the same manner as reimbursements for indirect costs.

4. Mr. Purser reports that the grant amount is unchanged over prior years because the funds have not been re-authorized by Congress. The funds have been available over the last 5 years only through continuing resolutions of the U.S. Congress, and for this reason the grant amount has not increased. In 1991, some personnel costs for City and County employees of this program were absorbed by the State of California, and Federal monies were then re-allocated for contractual services, materials, and supplies.

5. Mr. Purser indicates that these funds may be restricted in the future because of proposals to restrict the availability of abortion counseling and information through family planning clinics receiving Federal funds. Mr. Purser indicates that proposed Federal regulations containing such provisions have not been issued by the U.S. Department of Health and Human Services, and that final regulations are unlikely to be issued at least until mid-1992. Mr. Purser indicates further that funds from the State of California are expected to become available to supplant Federal funds in full or in part if restrictions are placed on the use of Federal funds by family planning clinics. Mr. Purser reports that in the absence of final regulations from the Department of Health and Human Services, the Bureau of Family Health and the family planning clinics are engaged in "business as usual."

6. Approximately 77% of the contractual services are gynecological and obstetric services provided by UCSF. The Health Commission has approved a sole source contract with UCSF for these services through December 31, 1993. Other contracted services, for pharmacological and cytology services, are bid under DPH guidelines.

7. Materials and supplies consist of contraceptives and other medicines. Equipment purchases have typically been for laboratory and office equipment, although Mr. Purser reports that no requests for new equipment are currently pending. Travel expense reflects the cost of extensive local travel by three City staff among the 17 family planning clinics, as well as travel to Los Angeles by 1 or 2 staff members approximately three times per year, as mandated by the funding agency, according to Mr. Purser.

8. The grant period began on January 1, 1992, and Mr. Purser indicates that no expenditures can be made for budgeted items other than personnel costs until the grant funds are received. Personnel costs will continue to be paid by the City and charged against the budget of the Community Public Health Service Division until the funds are received and an account is established, according to Mr. Purser. As a result, the proposed resolution is a ratification of an action previously taken. Mr. Purser does not expect any problems to arise from the delay, however, since he expects no costs to accrue which will require payment prior to receipt of the grant funds.

9. Attached is the Summary of Grant prepared by the Family Health Bureau of DPH.

10. Disability access checklists for seven of the 17 facilities where services will be provided are on file with the Clerk of the Board. Ms. Lucille Burlew-Lawler in the Contracts Division of the Department of Public Health reports that the checklists are being prepared for the remaining 10 facilities and will be provided to the Clerk of the Board as soon as they become available.

Recommendations: 1. Amend the proposed resolution to substitute the term "administrative costs" for "indirect costs" on line 5 and on line 13.

2. Approval of the amended resolution prior to receipt of the remaining disability access checklists is a policy matter for the Board of Supervisors.

Item No. ____________

Health Commission - Summary of Grant Request

Rev. 4/10/90

Grantor: Cal. Family Planning Council, Inc.
Contact Person: Thomas Kring
Address: 3600 Wilshire Blvd, Ste 600
Los Angeles, CA 90010
Amount Requested: $ 358,922
Term: From 01/01/92 To 12/31/92

Division: CPHS
Section: Family Health Bureau
Contact Person: Stephen Purser
Telephone: 554-2569
Application Deadline: December 1, 1991
Notification Expected: January 1, 1992

Health Commission ____________ Board of Supervisors: Finance Committee ____________
Full Board ____________

I. Item Description: (Circle appropriate words)

Request to (apply for) (accept and expend) a ~~(new)~~ (continuation) ~~(allocation) (augmentation to a)~~ grant in the amount of $ 358,922 from the period of 01/01/92 to 12/31/92 to provide family planning and pregnancy testing services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)

This grant will enable the continuation of family planning and pregnancy testing services to San Francisco residents. The target population consists of low-income, ethnically diverse women ages 15-44. Services will be provided at various Health Department District Health Centers.

III. Outcomes/Objectives:

To provide medical examinations and contraceptive supplies in compliance with CFPC requirements for approximately 13,100 patient visits.

IV. Effects of Reduction or Termination of These Funds:

Increases in unplanned pregnancy and sexually transmitted diseases.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount	358,922	358,922	358,922	-0-		
Personnel	220,000	170,000	170,000	-0-		
Equipment	2,000	2,000	2,000	-0-		
*Contract Svc.	125,000	163,000	163,000	-0-		
Mat. & Supp.	7,722	20,222	20,222	-0-		
Facilities/Space	-0-	-0-	-0-	-0-		
Other (Travel)	2,000	2,000	2,000	-0-		
Indirect Costs	2,200	1,700	1,700	-0-		
VI. Data Processing (costs included above)						
VII. Personnel						
F/T CSC	4	4	4	-0-		
P/T CSC	1	1	1	-0-		
Contractual	3	3	3	-0-		

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
None

Will grant funded employees be retained after this grant terminates? If so, How?
Yes, through other funding sources and seniority in the Civil Service System.

***VIII. Contractual Services:** Open Bid ____________ Sole Source XX (if sole source, attach Request for Exemption Form)

Item 1e - File 146-91-88

Department: Department of Public Health (DPH)
Family Health

Item: Resolution authorizing the Department of Public Health to accept and expend a new grant which includes $7,291 of indirect costs based on 20 percent of personnel costs, from the Centers for Disease Control for family planning and HIV services for women.

Amount: $321,178

Source of Funds: Centers for Disease Control

Term: September 30, 1991 to September 29, 1996

Project: Clinical and Educational Family Planning and HIV Services for Women in Non-traditional Settings - Medical Services

Description: The proposed grant would provide the second component of a clinical demonstration project designed to provide clinical and educational services to women. Another proposed resolution would authorize the DPH to accept a grant supporting the first component (Item 1f, File 146-91-89).

The DPH, the University of California School of Medicine (UCSF), and Planned Parenthood/Alameda would conduct a five year HIV risk reduction and reproductive health promotion program for women at risk, ages 18 to 25, who live in public housing projects in San Francisco. The project would include: (1) a system of peer outreach by which young women would learn to communicate the need for safer sex, safer drug injection, and contraceptive use to their peers in formal and informal settings; (2) a series of peer-led workshops for young women to discuss and overcome barriers to safer sex, safer drug injection behaviors, and contraceptive use; and (3) an ongoing publicity campaign about the intervention activities among young women that establishes an awareness and legitimacy of intervention activities among young women and provides a reminder of the norms for safer sex, safer injection behaviors, and contraceptive use. The program would serve as a model for other health care systems in the country.

Both grants would support research and medical services. This grant would emphasize medical services to the women participating in the project. The first component would emphasize the research portion of the project.

Project Budget:	**Personnel**	**FTE**			
	Project Director	.50	$23,556		
	Principal Investigator	.10	7,641		
	Family Planning Coordinator	.10	5,260		
	Personnel Subtotal	.70		36,457	
	Fringe Benefits @ 27%			9,843	
	Total Personnel				$46,300
	Indirect Costs @ 20% Salaries				7,291
	Operating Expenses				
	Laboratory Expenses (includes Chlamydia, STD/HIV diagnostic, pregnancy detection tests)			7,000	
	Office Supplies			5,000	
	Funder Mandated Travel to CDC ($800 x 2 staff x 3x/yr.)			4,800	
	Total Operating Expenses				16,800
	Contractual Services				
	University of California, San Francisco (UCSF) (The contract with UCSF includes all research and evaluation activities and related expenditures.)			68,609	
	Planned Parenthood (The contract with Planned Parenthood includes all community health outreach staff and related expenses, nursing and interviewer/counselor time for staff at 8 project sites, necessary clinic and medical supplies for all patient care visits at 8 project sites, and health education materials and training.)			182,178	
	Total Contractual Services				250,787
	Total Project Budget				$321,178

Local Match: None

Indirect Costs: $7,291

Number of Clients Served: 1,500

Comments:

1. UCSF and Planned Parenthood are sole source contracts because those agencies are co-applicants to CDC for the proposed grant.

2. According to Mr. Steve Purser of the DPH, the DPH was funded for three years to identify women at-risk who might participate in a reproductive health promotion study. However, the proposed grant, which provides medical services to participants, would be new. This grant would represent the first year of a five-year grant. According to Mr. Purser, funding is guaranteed for the full five years.

3. Mr. Purser advises that if the proposed grant is reduced or terminated, personnel would be reduced or terminated accordingly. The proposed grant would support .7 FTEs.

4. Mr. Purser reports that, although the grant period began September 30, 1991, the DPH would not incur costs against the proposed grant until authorization from the Board of Supervisors is received.

5. Attached is a Summary of Grant Request, as prepared by DPH, for the proposed grant.

6. The DPH has prepared a Disability Access Checklist which is in the file.

Recommendation: Approve the proposed resolution.

Rev. 4/10/90

Health Commission - Summary of Grant Request

.or Center for Disease Control
ntact Person Christine Galavotti
Address 255 East Paces Ferry Rd. Mail Stop E14
Atlanta, GA 30305
Amount Requested $ 321,178
Term: From 9/30/91 To 9/29/96
Health Commission ________ Board of Supervisors: Finance Committee ________
Full Board ________

Division CPHS
Section Family Health
Contact Person Geraldine Oliva, MD
Telephone 554-2563
Application Deadline July 26, 1991
Notification Expected September 25, 1991

I. Item Description: (Circle appropriate words) Request: to ~~[illegible]~~) (accept and expend) a ~~[illegible]~~ (continuation) ~~[illegible]~~ ~~[illegible]~~) grant in the amount of $ 321,178 from the period of 9/30/91 to 9/29/96 to provide Family planning and HIV services. services.

II. Summary: (Concentrating need addressed; number + groups served; services and providers) PART B

This is funding for a clinical demonstration project designed to provide clinical and educational services for at least 1500 women in non-traditional settings. Hypotheses and strategies for preventing HIV infection among women and infants are tested in high risk neighborhoods.

III. Outcomes/Objectives: A street outreach team will continue to recruit at least 1500 women into non-traditional family planning clinics providing health services. Services will b provided every six months and the success of the interventions will be measured using s outcomes as utilization of family planning, reproductive health, STD/HIV and drug treat services, decreases in un-intended pregnancies, and STD rates.

IV. Effects of Reduction or Termination of These Funds:
Provision of medical, counseling, and education services for women at high-risk for HIV transmission through community-based clinic sites will not be possible. A valuable opportunity to provide clinical care to women who are extremely hard to reach and serve will be lost.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			321,178			
Personnel			46,300			
Equipment						
*Contract Svc.			250,787			
Mat. & Supp.			12,000			
Facilities/Space						
Other (Travel)			4,800			
Indirect Costs			7,291			
VI. Data Processing (costs included above)						
VII. Personnel						
F/T CSC			0			
P/T CSC			.7			
Contractual			2.0			

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
.5 FTE 2593 on other grants.

Will grant funded employees be retained after this grant terminates? If so, How?
No.

***VIII. Contractual Services:** Open Bid ________ Sole Source X (If sole source, attach Request for Exemption Form)

Item 1f - File 146-91-89

Department: Department of Public Health (DPH)
Family Health

Item: Resolution authorizing the Department of Public Health to accept and expend a new State grant, which includes indirect costs of $10,765 based on 20 percent of personnel costs, from the Centers for Disease Control for family planning and HIV services for women.

Amount: $770,248

Source of Funds: Centers for Disease Control

Term: September 30, 1991 to September 29, 1996

Project: Clinical and Educational Family Planning and HIV Services for Women in Non-traditional Settings – Research

Description: The proposed grant would provide the first component of a clinical demonstration project designed to provide clinical and education services to women at risk. Another proposed resolution would authorize the DPH to accept and expend the second component of the project (Item 1e, File 146-91-88).

The DPH, the University of California School of Medicine (UCSF), and Planned Parenthood/Alameda would provide a five year HIV risk reduction and reproductive health promotion program for women at risk, ages 18 to 25, who live in public housing projects in San Francisco. The project would include: (1) a system of peer outreach by which young women would learn to communicate the need for safer sex, safer drug injection, and contraceptive use to their peers in formal and informal settings; (2) a series of peer-led workshops for young women to discuss and overcome barriers to safer sex, safer drug injection behaviors, and contraceptive use; and (3) an ongoing publicity campaign about the intervention activities among young women that establishes an awareness and legitimacy of intervention activities among young women and provides a reminder of the norms for safer sex, safer injection behaviors, and contraceptive use. According to the DPH, the program is designed to be self-perpetuating and to expand through the network of women.

Both grants would support research and medical services. This grant would emphasize the research portion of the project. The second component, also supported by a CDC grant, would emphasize medical services (Item 1e, File 146-91-88).

Project Budget:

Personnel	FTE			
Project Director	.5	$23,556		
Principal Investigator	.1	7,641		
Family Planning Coordinator	.1	5,260		
Management Assistant	.5	17,368		
Subtotal	1.2		$53,825	
Fringe Benefits @ 27 percent			14,532	
Personnel Total				$68,357
Indirect Costs @ 20 percent of salaries				10,765
Operating Expenses				
Office Supplies			1,000	
Travel (funder-mandated trips to CDC)			4,800	
Operating Expenses Total				5,800
Contractual Services				
University of California at San Francisco (The contract with UCSF includes all research and evaluation activities and related expenditures.)			282,963	
Planned Parenthood (The contract with Planned Parenthood includes all community health outreach staff and related expenses, nursing and interviewer/counselor time for staff at 8 project sites, necessary clinic and medical supplies for all patient care visits at 8 project sites, and health education materials and training.)			273,363	
Contractual Total				556,326
CDC Restricted Funds				129,000
TOTAL PROJECT BUDGET				$770,248

Local Match: None

Indirect Costs: $10,765

Number of Clients Served: 1,500

Comments: 1. According to Mr. Steve Purser of the DPH, the DPH was funded for three years by the CDC to identify women at risk who might participate in the proposed reproductive health promotion study. However, the proposed grant, which provides funds for research, would be new. This grant would represent the first year of a five-year grant. According to Mr. Purser, funding is guaranteed for the full five years.

2. UCSF and Planned Parenthood are sole source contracts because those agencies are co-applicants to CDC for the proposed grant.

3. Mr. Purser reports that, although the grant period began September 30, 1991, the DPH would not incur costs against the proposed grant until authorization from the Board of Supervisors is received.

4. Mr. Purser advises that if grant funds are reduced or terminated, personnel would be reduced or terminated accordingly. The proposed grant would support 1.2 FTE.

5. According to Mr. Purser, CDC has awarded the DPH $129,000 in restricted funds for the proposed project. However, Mr. Purser reports, CDC has not yet determined how those funds should be used. Therefore, $129,000 should be reserved pending specific information regarding the use of those funds.

6. Attached is a Summary of Grant Request, as prepared by DPH, for the proposed grant.

7. The DPH has prepared a Disability Access Checklist which is in the file.

Recommendation: 1. Reserve $129,000 pending specific information regarding the use of those funds.

2. Approve the proposed resolution, as amended.

, No. ______

Health Commission - Summary of Grant Request

Rev. 4/10/90

Grantor: Center for Disease Control
Contact Person: Christine Galavotti
Address: 255 East Paces Ferry Rd. Mail Stop E14
Atlanta, GA 30305
Amount Requested $ 770,248
Term: From Sept. 30,1991 To Sept. 29, 1996

Division: CPHS
Section: Family Health
Contact Person: Geraldine Oliva, MD
Telephone: 554-2563
Application Deadline: July 26, 1991
Notification Expected: September 25, 1991

Health Commission ______ Board of Supervisors: Finance Committee ______
Full Board ______

I. Item Description: (Circle appropriate words) Request to [redacted] (accept and expend) a [redacted] (continuation) [redacted] ([redacted] grant in the amount of $ 770,248 from the period of 9-30-91 to 9-29-96 to provide ______ services.

PART A

II. Summary: ([illegible])
This is an application for new funding in the fourth year of a research demonstration ar intervention project designed to provide community-level behavioral research and interve to prevent HIV infection in women and infants. Behavioral research focuses on primary HI prevention in women by identifying and describing structural environmental and psychoso factors thought to promote risk reduction in four public housing projects.

III. Outcomes/Objectives: Provision of interventions in housing projects at high risk for and Perinatal NIV via unplanned pregnancies will be targeted using a quasi-experimental design to compare two different conditions. Cognitive, behavioral, clinical, structural and environmental changes will be measured and compared between control/comparison grou

IV. Effects of Reduction or Termination of These Funds:
Provision of interventional research and support services for women at high risk for HIV transmission through community level behavioral research will not be possible. Valuable research data on a population that is extremely hard to reach will be lost.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved b
Grant Amount	777,570	899,427	770,248	(129,179)		
Personnel	107,478	113,322	68,357	(44,965)		
Equipment	--------	--------	--------	--------		
*Contract Svc.	634,000	758,259	685,326	(72,933)		
Mat. & Supp.	7,500	7,500	1,000	(6,500)		
Facilities/Space	--------	--------	--------	--------		
Other	2,500	2,500	4,800	+ 2,300		
Indirect Costs	26,092	17,846	10,765	(7,081)		

VI. Data Processing (costs included above)

VII. Personnel

F/T CSC	1.0	1.0	-0-	(1.0)	
P/T CSC	.85	.85	1.2	+ .35	
Contractual	9.55	11.45	9.3	(2.1)	

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

*VIII. Contractual Services: Open Bid ______ Sole Source X (If sole source, attach Request for Exemption Form)

Item 1g - File 172-91-21

The proposed resolution would designate 72-hour evaluation and 14-day intensive treatment facilities pursuant to Welfare and Institutions Code 5150 and 5250 et. seq., and would specify the responsibilities of such facilities as specified by the Department of Public Health, Division of Mental Health, Substance Abuse and Forensic Services. The authorized facilities are: Langley Porter Psychiatric Institute at UCSF, San Francisco General Hospital, St. Mary's Hospital and Medical Center, Pacific Presbyterian Medical Center, St. Francis Memorial Hospital, Mt. Zion Community Crisis Services, Mt. Zion Hospital and Medical Center, and St. Luke's Hospital.

The proposed resolution would authorize agreements between the Department of Public Health, Division of Mental Health, Substance Abuse and Forensic Services (DMSF) and each of the eight facilities to ensure the facilities' compliance with California law and the San Francisco County Mental Health Plan regarding the provision of inpatient psychiatric services. The San Francisco County Mental Health Plan provides definitions and guidelines which clarify or supplement the State's legal requirements, according to Dr. Carmen Carrillo, Director of Adult Acute Services for DMSF. DMSF has already entered into agreements for participation with each of the eight facilities for the period July 1, 1991 to June 30, 1994.

The agreements between DMSF and each of the eight facilities serve to 1) identify the responsibilities of the designated hospitals in serving individuals who require acute inpatient care, 2) outline planning efforts of the DMSF to provide necessary services pursuant to the California Administrative Code and the San Francisco County Mental Plan, and 3) specify how DMSF will work with the designated facilities to provide required services. Seven of these agreements are on file with the Clerk of the Board.

The facilities' obligations under these agreements include maintaining 24-hour admission, evaluation, and treatment capability, providing timely evaluation of admitted patients by a psychiatrist, complying with provisions of California law respecting patients' rights, participating in regular DMSF program reviews, providing representation to a County-wide committee organized by DMSF to monitor hospital-related issues such as quality assurance, length of stay, and coordination of services, and cooperating with DMSF in developing appropriate discharge and outpatient treatment plans.

The agreements reached between DMSF and each of the eight facilities state that "no payment by San Francisco City and County will be made to said facilities for implementation of the terms of this agreement." According to Dr. Carrillo, these agreements do not obligate the City to pay for any services provided by the hospitals, and any costs to be paid by the City and County for services provided by these hospitals would be in accordance with separate agreements between the City and County and the individual hospitals.

Comments

1. According to Dr. Carrillo, the designation of these facilities by the proposed resolution allows Federal and State reimbursements for the care provided by the hospitals and authorizes staff within these hospitals to provide care which is reimbursable from the State and Federal governments to these hospitals. These reimbursements had previously been made by the County using funds made available by the State and Federal governments under the Short Doyle Act. However, the realignment package approved by the California Legislature in 1991 eliminated reimbursements under the Short Doyle Act, effective July 1, 1991. According to Ms. Susan Ehrlich, Director of Budget and Planning for the Department of Public Health, reimbursements to the designated facilities for costs of providing the specified inpatient psychiatric services will continue to be made by the County, but will instead be funded by the realignment revenues received from the State.

2. According to Ms. Florence Stroud, Deputy Director of Health for Mental Health, Substance Abuse and Forensic Services, the agreements reached between DMSF and each of these facilities are identical to those which have been authorized and approved in previous years, except that the effective dates for the proposed designations and the term of the agreements have been extended to cover a three-year period. Previous designations of authorized facilities have been approved on an annual basis. Ms. Stroud expects the agreements to remain unchanged through June 30, 1994, and explains that the longer period will reduce the administrative impact of the facility designation and agreement approval process.

According to Dr. Carrillo, no determination has yet been made concerning whether the change from one year to three years in the facility designation period and in the validity period of the DMSF agreements with these facilities is permissible under California law. Dr. Carrillo expects to provide such a determination shortly.

3. Kaiser Permanente and Seton Medical Center have been removed as designated facilities for the period July 1, 1991 through June 30, 1994. Kaiser Permanente had asked to be included for the period July 1, 1990 through June 30, 1991 because of plans to provide psychiatric services at French Hospital which have been abandoned, according to Dr. Carrillo. Seton Medical Center had similarly requested the designation for FY 1990-91 due to an influx of psychiatric outpatients at the Medical Center, but according to Dr. Carrillo, the situation has changed at Seton, and Seton Medical Center has not renewed its request for designation nor participated

in County-wide planning activities for the provision of inpatient psychiatric services.

4. Pacific Presbyterian Medical Center is now part of California Pacific Medical Center, which was created through a merger with Children's Hospital. Dr. Carrillo confirms that this Hospital is properly referred to as California Pacific Medical Center. Therefore, the proposed resolution should be amended to reflect this change of name.

5. The proposed resolution authorizes agreements between DMSF and each of the eight facilities to ensure the facilities' compliance with California law and the San Francisco County Mental Health Plan regarding the provision of inpatient psychiatric services. The title of the proposed resolution omits any reference to authorization of such agreements. The title of the proposed resolution should therefore be amended to reflect that the resolution will authorize agreements between DMSF and the designated facilities, as stated in the text.

6. As previously noted, DMSF has already entered into agreements with these facilities for the period July 1, 1991 through June 30, 1994. The proposed resolution should therefore be amended to include ratification of actions previously taken.

7. The proposed resolution does not specify the responsibilities of these facilities, as specified by DMSF, as stated in the title. Rather, the facilities' responsibilities are the subject of the agreements to be authorized by the proposed resolution between DMSF and each of the eight facilities. Therefore, the title of the proposed resolution should be amended to agree with the body of the text.

8. In view of the various questions raised above, Dr. Carrillo, on behalf of DMSF, has requested that the matter be continued so that the proposed resolution can be amended as necessary.

Recommendation

Continue the proposed resolution, as requested by the Department of Public Health.

Item 1h - File 172-91-22

Department: Public Utilities Commission (PUC)

Item: Resolution authorizing an indemnity provision in the Cooperative Agreement between the City of Daly City and the City and County of San Francisco acting, through the Public Utilities Commission.

Description: On November 12, 1991, pursuant to Resolution No. 91-0382, the Public Utilities Commission authorized the execution of a Cooperative Agreement between the City of Daly City and the City and County of San Francisco for the Mission Street/San Jose Avenue Improvement Project. Under this Agreement, Daly City has agreed to assume responsibility for the construction of Municipal Railway improvements in conjunction with the construction of certain Daly City public improvements on Mission Street, San Jose Avenue and Flournoy Street (State Highway Route 82), located in Daly City. The MUNI improvements would include, installation of poles, electrical cables, trolley wires, conduits, manholes and other work. The estimated cost of these improvements is $379,390, which MUNI intends to fund with Urban Mass Transportation Administration (UMTA) Funds, supplemented with local matching funds and revenue transfer tax funds. Daly City has agreed to assume such responsibility because, combining the two construction projects will expedite their completion, and as such will allow Daly City to meet the deadline for expenditure of the Federal funds which will be used to pay for the street improvements.

The Cooperative Agreement includes mutual indemnification provisions (hold harmless clauses), in which San Francisco agrees to indemnify Daly City for the negligence or willful misconduct of San Francisco and Daly City agrees to indemnify San Francisco for the negligence or willful misconduct of Daly City. The proposed resolution would authorize the City to indemnify Daly City. Under the indemnity provision, San Francisco would specifically, defend and hold harmless Daly City, its subsidiary agencies, their officers, agents and employees from all claims, suits, or actions of any kind, arising out of the cooperative agreement to the extent that such claims, suits, or actions are due to the negligence or willful misconduct of San Francisco or San Francisco's failure to perform obligations as required under this agreement. The PUC reports that Daly City has already passed the necessary legislation authorizing it to indemnify San Francisco in connection with the Cooperative Agreement.

Recommendation: Approve of the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 1i - File 100-91-1.13

Department: District Attorney
Family Support Bureau

Item: Release of Reserved Funds to continue CASES joint maintenance with Santa Clara County

Amount: $90,000

Source of Funds: Previously appropriated General Fund and Federal revenue funds (Title IVD)

Description: During the FY 1991-92 budget process, the Finance Committee recommended that $90,000 of a total $180,000 included in the District Attorney's budget request to fund the Family Support Bureau's Computer Assisted Support Enforcement System (CASES) be placed on reserve pending information regarding the status of the State of California's effort to automate the Child Support Program on a Statewide basis. The CASES produces legal documents associated with enforcement of child support payments (i.e., summons, claims, liens and wage garnishment) and handles accounting procedures connected with child support payments. The City has a joint maintenance agreement with Santa Clara County to fund these services through a contract with System House, a private firm. Santa Clara County issued a Request for Proposal to acquire these contract services. The total annual cost for these contract services is $360,000 of which the City pays half or $180,000. The remaining $180,000 is paid for by Santa Clara County.

Mr. Joseph Matranga of the District Attorney Family Support Bureau reports that under Federal regulations, the State of California must implement a Statewide automated Child Support Program by July 1, 1995. Once this program is in place, child support case processing, including the collection and distribution of child support would be accomplished within the State system, which would impact on the City's current automated system for processing child support cases. The District Attorney cannot, at this time, provide specific details on what fiscal impact this would have on the City.

Mr. Matranga advises that it was anticipated that the State would issue a Request for Proposal prior to the end of calendar year 1991, to acquire a vendor to provide the computer services necessary to implement the Statewide Child Support Program. However, according to Mr. Matranga, the State has delayed its decision to select a vendor until Spring of 1992. As such, Mr. Matranga reports that the District Attorney's Office and Santa

Clara County have determined that the joint maintenance agreement for the provision of CASES services should be continued at the current level for the remainder of this fiscal year. Therefore, the District Attorney is requesting that the $90,000, which was placed on reserve, be released in order to pay for the City's remaining share of costs under the joint maintenance agreement.

Comment: Mr. Paul Owsley of the Electronic Information Processing Steering Committee (EIPSC) reports that the District Attorney notified the EIPSC of its intent to enter into the joint maintenance agreement, at the Committee's November 14, 1990 meeting. The District Attorney followed up this verbal notification with additional correspondence to EIPSC on this subject matter. According to Mr. Owsley, EIPSC approved the District Attorney's entering into the joint maintenance agreement to acquire the CASES services.

Recommendation: Approve the proposed release of reserve funds in the amount of $90,000.

Item 1j - File 100-91-1.14

Department: Department of Public Works (DPW)
Bureau of Street Cleaning and Urban Forestry

Item: Release of Reserved Funds for hardware and software equipment, to implement the Local Area Network System.

Amount: $48,000

Source of Funds: Previously appropriated State revenue funds (Gas Tax)

Description: During the FY 1991-92 budget process, the Finance Committee recommended that $48,000, included in the DPW's budget request to fund the Department's implementation of the Local Area Network (LAN) System, be placed on reserve pending the Electronic Information Processing Steering Committee's (EIPSC) approval. The LAN system will (1) extend the DPW's Financial and Personnel System access to one of three Army Street buildings utilized by the Bureau of Street Cleaning/Urban Forestry, (2) permit the Bureau of Street Cleaning/Urban Forestry to access DPW's main computer as well as the Citywide management information system and (3) provide data information which will enable the Bureau to more efficiently match the appropriate staff and equipment to a given job or task in order to operate more efficiently and thereby reduce operating expenses.

The DPW reports that EIPSC has reviewed and approved the following computer equipment for the LAN system:

Personal Computers (10)	$32,400
Pro-Server (serves as the mainframe for all of the personal computers in the network system)	10,000
Laser Printer	3,000
Miscellaneous Computer Accessories	2,600
Total	$48,000

Recommendation: Approve the proposed release of reserved funds in the amount of $48,000.

Item 1k - File 101-90-93.1

Department: Department of Public Works (DPW)
Clean Water Program (CWP)

Item: Request for release of reserved funds for construction services and contingencies of the Islais Creek Transport/Storage Facilities

Amount: $5,539,000

Source of Funds: 1988 Sewer Revenue Bond Fund

Description: The Board of Supervisors previously passed a supplemental appropriation ordinance (File 101-90-93) for construction costs associated with the Islais Creek Transport Storage Facilities, and reserved $5,539,000 for a construction contract pending the identification of a firm and the MBE, WBE status of the firm.

The Islais Creek Transport Storage Facilities will correct the problem of wet weather combined sewage and rainwater overflow into the Bay at Islais Creek. The Islais Creek Facilities will be constructed in four separate contracts. The proposed release of reserved funds would fund the first contract, which would consist of the development of a 360-feet long 20-feet wide by 35-feet deep transport storage structure. Specifically, the funds would be used as follows:

Contractual Services	
Kulchin-Condon & Associates	$5,192,743
Construction Contingency (Approximately 6.7 percent)	346,257
Total	$5,539,000

The DPW intends to use State Revolving Loan funds from the State Water Resources Control Board for the construction of the Islais Creek Transport Storage Facility. The DPW would use the 1988 Sewer Revenue bond funds to provide the upfront funding through the 1988 Sewer Revenue Bond Fund. When the loan funds become available, the DPW will reimburse the City for eligible expenditures.

Comments: 1. The above-listed firm which would perform the contractual services, Kulchin-Condon & Associates, has met the Human Rights Commission's (HRC) Affirmative Action requirements. Ms. Veronica Ng of the HRC reports that although Kulchin-Condon & Associates is neither a MBE, WBE or LBE firm, Kulchin-Condon & Associates is using several MBE, WBE or LBE subcontractors. These subcontractors are Krystal Trucking, Salinas Rebar, Esquivel Grading and Paving, Inc., Lendarazo and L.V. Electric. Ms. Ng also reports that of the total contract, 13.6 percent of the contract would be awarded to MBE firms, and 3.34 percent would be awarded to WBE firms.

2. Mr. Manfred Wong of the DPW's Clean Water Program reports that the DPW advertised a contract for bid in local newspapers. The low bidder for the project was the joint venture of Dan Caputo & Wagner Construction Co., with a bid of $5,051,886. However, the HRC reports that the joint venture's bid was considered non-responsive because they failed to submit a required form "to confirm and identify the use of MBEs or WBEs and the dollar amounts to be subcontracted to them." The next lowest bidder was Kulchin-Condon & Associates, Inc.

3. Mr. Wong indicates that the DPW originally anticipated that the construction contract would be approximately $5,035,000, with contingencies of approximately ten percent or $504,000 for a total cost of $5,539,000. However, Mr. Wong indicates that since the low bid was higher than anticipated at $5,192,743, the DPW reduced the contingencies to approximately 6.7 percent of the construction contract, or $346,257 rather than ten percent. This reduction of the contingencies results in the same $5,539,000 original estimate for the total cost. Mr. Harold Coffee of the DPW reports that although the contingencies for the project have been reduced, the DPW anticipates that the project will still be completed within the $5,539,000 original estimate for the total cost.

4. Mr. Wong reports that the proposed contract would begin on approximately February 1, 1992 and extend through July 31, 1992.

Recommendation: Release the reserved funds in the amount of $5,539,000.

Item 2 - File 97-92-1

1. The proposed ordinance would amend Chapter 10 of the San Francisco Administrative Code by adding a new section 10.170-6, to require that in order to receive a grant from the City and County of San Francisco the recipient must not owe any taxes, fees or fines to the City and County.

2. Section 10.170 of the Administrative Code would provide the following:

a) In order for a proposed grant recipient to receive grant funding from the City, the recipient must not owe the City any taxes, fees, fines or other overdue payments;

b) Prior to receipt of grant funds, grant recipients must declare under penalty of perjury that they do not owe the City any taxes, fees, fines or other overdue payments;

c) Effective July 1, 1992, each grant awarded or administered by the City must contain a provision in which the grant recipient agrees that in the event the Controller determines that the recipient owed any taxes, fees, fines, or other payments which were overdue at the time the recipient signed the declaration, the City may terminate the grant and offset against grant funds due the recipient in an amount equal to the overdue payments;

d) The City agency or department responsible for awarding a grant must confirm from the Tax Collector, prior to awarding of the grant, that City records do not show that the proposed grant recipient owes the City any taxes, fees, fines or other overdue payments;

e) A grant recipient's failure to comply with any of the provisions of this legislation may result in the denial of grant funding to the recipient.

Comments

1. Mr. Richard Sullivan of the Tax Collector's Office reports that it would be very difficult, if not impossible, for the Tax Collector to certify to City departments that a given grant recipient does not owe any taxes, fees, fines or other overdue payments because, (1) presuming the grant recipient is a non-profit agency, with the exception of property taxes, and any fines associated with these taxes, the Tax Collector would not have any other records pertaining to revenues owed by such an agency to the City, unless such revenue information had been submitted by the applicable City department to the Tax Collector's Bureau of Delinquent Revenue and (2) City departments are not required to refer information to the Bureau of Development Revenues regarding delinquent revenues unless such revenues exceed $300.

2. Mr. Sullivan advises that if the Tax Collector had to assume responsibility for certifying that a given non-profit agency did not owe any taxes, fees, fines or other payments, depending upon the number of the agencies, it would probably entail taking staff time away from other revenue generating activities, which would have an undetermined fiscal impact on the Tax Collector's Office. Mr. Sullivan states that it is questionable as to whether the amount of the revenues which would be realized from the proposed legislation would offset the costs associated with the Tax Collector in having to confirm that a given non-profit agency does not owe the City any monies.

3. Based on the above noted considerations, Mr. Sullivan believes the proposed ordinance should be modified to delete the statement "The City agency or department responsible for awarding a grant shall confirm from the Tax Collector prior to the awarding of the grant that City records do not show that the proposed grant recipient owes to the City and County any taxes, fees, fines or other forms of indebtedness for which payment is overdue." (See page 2, lines 6 through 11 of the proposed legislation.) Furthermore, Mr. Sullivan believes that the proposed legislation should be modified to define the types of taxes, fees, fines and other payments that would be applicable.

4. The Budget Analyst believes that it is in the best interest of the City to have some mechanism which would preclude the City's grant recipients to receive grant funds if those grant recipients owe other monies to the City.

Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 3 - File 170-92-1

Department: Sheriff's Department

Item: Resolution determining and declaring the public interest and necessity for the reconstruction by the City and County of San Francisco of the Sheriff's Department correctional facilities; and that the estimated cost of $51,200,000 for said municipal improvement is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of a bonded indebtedness.

Amount: $51,200,000

Description: The proposed General Obligation bond issue would provide funds for the construction of an expansion to Jail #1 in the New Sheriff's Facility located at the Hall of Justice. The construction would consist of adding four additional floors to the New Sheriff's Facility, now under construction. The four additional floors would house approximately 230 cells, or 460 beds. In addition, the Sheriff's Department is proposing other correctional facility improvements at the San Bruno Jail Facility and the remodeling of medical facilities at all other County jails.

In December of 1991, the Federal court held the City and County in contempt for failing to reduce the overcrowding at Jail #1 (Stone v. CCSF), located at the Hall of Justice. In addition, another legal action was filed against the City in Federal court last year regarding the building conditions at the San Bruno Jail Facilities. As a result, the Sheriff's Department has requested this proposed bond issue to address the overcrowded conditions at Jail #1 and the need for repairs to the San Bruno Jail Facility.

According to the Sheriff's Bond Program Report, the proposed construction project would cost a total of $51.2 million. The proposed bond issuance consists of the following estimated costs:

New Jail Facility Improvements:		
Estimated Construction Cost	$35,131,710	
Construction contingency	3,513,171	
Art Enrichment	702,635	
Construction Management	1,498,340	
Architectural/Engineering Design	3,864,488	
Services of DPW and Real Estate Departments	746,050	
Design contingency	1,405,269	
Affirmative Action Coordinator	90,000	
Environmental Review study	127,190	
Permits	263,144	
Extended parking lot rental period	107,100	
Total Jail #1 Addition project cost		$47,449,097
Other Jail Facility Improvements:		
San Bruno Facility repairs (See attachment for details)	2,322,000	
Remodel satellite medical clinics at all County jails	1,158,678	
Total San Bruno improvements		3,480,678
Cost of bond issuance		270,225
Total proposed bond issue		$51,200,000

Comments:

1. According to Mr. Steve Nelson of the CAO's Office, the Capital Improvements Advisory Committee (CIAC) will be conducting a hearing on January 20, 1992 to discuss the Bond Program Report submitted by the Sheriff's Department. At that time the CIAC will recommend to the Board of Supervisors whether or not to place the bond measure on the June, 1992 ballot. Mr. Nelson further advises that the CAO will be present at the Finance Committee meeting to present the findings of the CIAC.

2. According to Mr. Nelson, if approved by the voters in June, 1992, the sale of the bonds would occur in 1992-93, and would have a resulting impact on the tax rate, beginning in 1993-94, of approximately $0.0084 per $100 assessed value. After accounting for the $7,000 homeowners exemption, for a home valued at $250,000, the net increase in taxes would be $20.41 per year.

3. In conformance with the Charter, the City's prescribed debt limit is slightly more than $1.651 billion. As of December 24, 1991, the CIAC reported that the City's outstanding debt, including all voter approved issuances, totaled $716 million. Therefore, the net debt capacity of the City is currently $935 million ($1.651 billion less $716 million). If approved by the voters, this proposed bond measure would reduce the net debt capacity by $51.2 million, from $935 million to $884 million.

4. The Board of Supervisors has recently approved resolutions, which determined the convenience and necessity of issuing $26.7 million in bonds for reconstructing the Civic Center Plaza and Fulton Street Mall, $24 million for expanding the Civic Center garage, $21.22 million for reconstructing the Civic Center heating system, and $78 million for reforestation and rehabilitation of Golden Gate Park. If these proposed bond measures, along with this proposed bond measure to construct an addition to the New Sheriff's facility, are approved by the voters, then the City's net debt capacity would be reduced by an additional $150 million, or from $884 million to $734 million.

5. The City and County of San Francisco does not have a separate procedure for the issuance of GO bonds. Rather, the City adopts the general law of the State of California. The State General Obligation Bond Law requires a resolution of public convenience and necessity be adopted by a two-thirds vote of the Board of Supervisors. If the proposed resolution is approved by a two-thirds vote of the Board of Supervisors, the City Attorney's Office will prepare an ordinance to submit the proposed $51.2 million bond issue to the voters.

6. Lieutenant LaVigne of the Sheriff's Department notes that once the addition to the New Sheriff's Facility has been constructed, the Sheriff's Department will incur additional operating costs to staff and maintain the facility. Mr. LaVigne estimates that the additional Sheriff's Department staffing costs will total $3.8 million, annually. This estimate does not include the cost of medical, psychiatric, and maintenance personnel. As of the writing of this report, the Department of Public Health and the Department of Public Works did not have estimates of the medical, psychiatric and maintenance staff costs available.

7. Lt. LaVigne reports that an Affirmative Action Coordinator is currently assigned to monitor affirmative action issues during construction of the New Sheriff's Facility at the Hall of Justice. This proposed bond issue would continue to fund that position through the completion of the expansion of Jail #1.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Adult Detention System Bond Program Report (Phase 2)

Facility Improvements:

San Bruno County Jail - Immediate Repair Estimates:

Toilet Fixtures:	160,000
Collapsed Shower Ceiling Repair:	142,000
Communication/Duress Alarm System:	247,000
Observation Towers:	50,000
Lighting/Smoke Detection:	103,000
Window Security Screens:	349,000
Tier Division:	623,000
Heating System:	34,000
Backflow Prevention System:	3,000
Water Supply Pump Motors:	74,000
Sewer Pumping Plant Improvements:	206,000
Attorney Interview Rooms:	57,000
Elevators:	274,000
Total Improvement Costs:	2,322,000

Items 4 and 5 - Files 97-92-2 and 97-92-3

Items:

The proposed ordinances would amend Chapter 16, Article I of the San Francisco Administrative Code by amending Section 16.9-29(b) thereof, relating to transfer of sick leave and vacation benefits to catastrophically ill employees, by suspending, for employees retiring early pursuant to Charter Section 8.517-2, as follows: (a) the requirements that donors be allowed to transfer only once per pay period per recipient and the maximum numbers of hours that can be transferred in any pay period or year (File 97-92-2); and (b) the requirements that donors retain a minimum of 64 hours of sick leave and the maximum number of hours that can be transferred in a pay period or year (File 97-92-3).

Comments:

1. The portion of the San Francisco Administrative Code in question, "Eligibility to Transfer Sick Leave and/or Vacation Credits," incorrectly listed in the proposed ordinances as Section 16.9-29(b), should be listed as 16.9-29(e). Thus, both ordinances should be amended to reflect the correct section of the Administrative Code.

2. Proposition A, approved by the voters at the November 5, 1991 election, offers incentives to employees who retire in February or March 1992. Employees receive early retirement benefits as if they were three years older and had worked for the City three additional years. The Employees Retirement System (ERS) anticipates that from 1,500 to 2,000 employees will accept early retirement. The proposed ordinances pertain only to those who are retiring early under Proposition A.

3. According to the existing provisions of Section 16.9-29(e) of the Administrative Code, any employee of the City and County of San Francisco who is not catastrophically ill and who is eligible to accumulate and use vacation credits and sick leave may transfer sick leave and/or vacation credits to another employee subject to the following conditions:

(1) The transferring employee must retain a minimum sick leave balance of 64 hours;

(2) Transfers must be in units of eight hours;

(3) All transfers are irrevocable;

(4) The transferring employee may transfer hours once per pay period per recipient;

(5) The transferring employee may transfer a maximum of 80 hours per pay period and 480 hours per calendar year; and

(6) Neither the transferring employee nor the designated recipient may be in violation of Subsection (i), which states that benefits may not be sold and that employees may not be coerced into transferring benefits.

4. The proposed ordinances would suspend the following requirements of Section 16.9-29(e) regarding transfer benefits: (a) the first requirement, that employees retain a minimum sick leave balance of 64 hours (File 97-92-3); (b) the fourth requirement, that employees transfer only once per pay period (File 97-92-2); and (c) the fifth requirement, that employees transfer no more than 80 hours per pay period and 480 hours per calendar year (Files 97-92-2 and 97-92-3), only for those employees who accept early retirement.

5. Mr. Claude Kolm of the City Attorney's Office advises that employees who accept early retirement, who were not previously planning to retire, may have intended to donate sick pay over a longer period. Thus, the proposed ordinances are intended to allow those employees to donate more benefits at once.

6. Mr. Kieran Murphy of ERS advises that currently more hours of sick pay are needed for catastrophically ill employees than have been donated.

7. Both of the proposed ordinances would suspend the requirement that employees transfer no more than 80 hours per pay period and 480 hours per calendar year, so that if either of the ordinances is adopted, this requirement would be suspended.

8. Mr. Murphy anticipates that no retiring employees would transfer more than 480 hours per year or 80 hours per pay period if the maximum allowable transfer were not suspended. Mr. Murphy advises that most of the sick pay benefits accumulated by those eligible for early retirement, and all of the vacation pay benefits, are vested. Vested sick and vacation time is time for which an employee will be paid upon leaving the City. Non-vested sick time is sick time that would disappear when an employee leaves the City. Vested time is a real cost to the City, whether or not it is transferred to the Catastrophically Ill Program (CIP). Few employees have accumulated more than 480 hours of non-vested sick pay benefits. (Files 97-92-2 and File 97-92-3)

9. Ms. Sandy Holmes of the Controller's Office advises that allowing employees to transfer benefits more than once per pay period could create substantially more administrative work and a greater margin for error in calculating transfers should employees choose to make more than one transfer per pay period. However, Ms. Holmes does not anticipate that employees would transfer benefits more than once per pay period if this restriction were suspended, because, in order to transfer benefits, employees must visit the Controller's Office in person to fill out and sign a form. Thus, most employees would rather donate larger amounts at more infrequent intervals Ms. Holmes reports. Also, Ms. Holmes advises, substantial sick and vacation benefits would not accumulate more than once per pay period (File 97-92-2).

10. The existing requirement that employees retain a minimum of 64 hours of sick leave guarantees that any non-vested sick leave above the amount of vested

sick leave and up to 64 hours would disappear upon retirement. Any hour of non-vested sick leave that could be transferred because of the suspension of this requirement, as is being proposed by these ordinances, would result in a real cost to the City. For example, an employee with 50 hours of vested sick leave, in order to conform with the requirements of the Administrative Code, would need to retain 14 hours of non-vested sick leave, for the total minimum 64 hours. Currently, those 14 hours would disappear when that employee retires. If that employee is now able and chooses to transfer those 14 hours of non-vested sick leave, the City would pay for 14 hours of sick leave for a catastrophically ill employee. Based on an average yearly salary, including fringe benefits, for City employees, of $50,000, the cost of suspending this requirement would be approximately $24 per hour (File 97-92-3).

11. Based on a sample of 467 employees eligible for early retirement, and assuming that 1,500 employees will retire early as anticipated, the Budget Analyst estimates that 39,296 additional non-vested hours could be transferred if the requirement that employees retain a minimum of 64 hours of sick leave were suspended, if employees use none of their non-vested sick time between the present time and the time of retirement, and if retiring employees transferred all of their available hours to the Catastrophically Ill Program (CIP). If 39,296 additional hours are transferred, the cost to the City would be $943,104, or 39,296 hours times $24 per hour.

12. A Task Force on Sick Leave and Vacation Transfers, consisting of representatives from the Controller's Office, ERS, and the DPH, issued a report on December 16, 1991 regarding the CIP. According to the Task Force's report, in 1990-1991, 36,168 hours, including vacation, non-vested and vested sick time, were transferred to the CIP. According to ERS, an average of 500 persons retire every year. Thus, if only retiring employees and no other employees transferred hours in 1990-91, the average transfer per retiring employee would have been approximately 72 hours, which is well below the average accumulated vested sick time of retiring employees. In fact, most of the 36,168 hours were not transferred by retiring employees. This would indicate that, because employees have not in general donated all of their available non-vested sick time upon retirement, the proposed legislation might have limited impact. However, if, as a result of this legislation, employees are specifically requested to transfer hours upon retirement through a letter or other means, more retiring employees may be inclined to transfer non-vested sick hours. Under the assumptions in Comment 11, above, a cost of over $900,000 could result.

13. According to Mr. Ed Harrington of the Controller's Office, the CIP has the effect of transferring the cost of catastrophically ill employees' salaries to the General Fund, because if the position of a catastrophically ill employee was funded by non-City revenue sources, such as State and Federal subventions or grants, when the catastrophically ill employee leaves his position but continues to receive pay through the CIP, his salary costs can no longer be charged to the non-City revenue source. According to Mr. Ed Gazzano of the DPH, this is particularly problemmatic at the DPH, where many catastrophically ill employees occupied grant-funded positions. Dr. Gerry Oliva of the DPH advises that the State has added a clause to all contracts stating that grant-funded positions may not be left

unfilled because of local policy. According to Dr. Oliva, if State-funded positions are left unfilled due to the CIP, the City is at risk of losing its State grants. As a result, the City must now fill these positions with other staff, yet continue to use General Fund monies to finance the catastrophically ill employees through the benefits conferred through the Catastrophically Ill Program.

14. Since the City must pay the salary cost for those catastrophically ill employees who receive transfer benefits, even though those employees are not working, every hour transferred to the CIP results in a one hour loss of productivity. A cost is incurred only if the position of the catastrophically ill employee would otherwise have been held vacant.

15. According to Ms. Holmes, a catastrophically ill employee may accumulate no more than 18 full-time months of transferred benefits. According to the Task Force, currently 105 catastrophically ill employees are eligible to receive transfer benefits. Based on an average annual salary and benefit of $50,000, the maximum average cost of the Catastrophically Ill Program (CIP) per participant would be an average $75,000 for eighteen months, and the total maximum cost would be $7,875,000. The Board of Supervisors in December 1991 eliminated the requirement that an employee must be absent 30 consecutive days in order to be classified as catastrophically ill. If more employees are classified as catastrophically ill due to the relaxed requirements, the maximum cost of the CIP would increase by $75,000 per employee. This maximum $75,000 per employee and $7,875,000 for the entire program includes the estimated $943,104 that could be transferred by early retirees, noted in Comment 11, as well as any other hours transferred by City employees.

Recommendations

(1) Amend the proposed ordinances to amend Section 16.9-29(e), not 16.9-29(b), of the San Francisco Administrative Code. (File 97-92-2 and File 97-92-3)

(2) Approval of the proposed ordinances, as amended, are policy matters for the Board of Supervisors. (File 97-92-2 and File 97-92-3)

Item 6 - File 147-91-9

Department: Public Library

Item: Resolution authorizing the City Librarian to apply for a continuing Federal grant.

Grant Amount: Not to exceed $35,000

Grant Period: October 1, 1992 through September 30, 1993

Source of Funds: U.S. Department of Education, Library Services and Construction Act, Title VI

Project: Project Read, Tutor Support Services

Description: Project Read is the adult literacy program of the San Francisco Public Library. The program offers English-speaking adults, who lack basic reading and writing skills, free confidential tutoring by trained volunteers. Project Read seeks funds to deliver and improve support and instructional services to volunteer tutors.

The proposed grant funds would be used to provide tutors with continuing education workshops, social events, monthly phone calls, a quarterly newsletter, support groups, a tutor recognition event, and consultations with a reading specialist.

Project Budget: All of the proposed funds would be provided as contractual services to Friends of the San Francisco Library, a non-profit organization. The Friends of the San Francisco Public Library would use the funds as follows:

Personnel	FTE	
Volunteer Manager	0.50	$14,000
Fringe Benefits		1,960
Total Personnel	0.50	$15,960
Supplies		
Purchase of 300 plaques for Volunteer Tutor Recognition Event		1,500
Workshops and Consultations		
Continuing Education Sessions (6 workshops at $150 each)		900
Assessments with Reading Specialists (25 sessions at $75 per session)		1,875

Printing Includes continuing education session announcements, instruction materials, copies of evaluations and recognition event invitations	$2,500
Postage Continuing education announcements, support group announcements, invitations and newsletters	1,500
Total Direct Costs	$24,235
Indirect Costs Approximately 5 percent of total direct costs	1,212
Total	$25,447

Required Match: None.

Indirect Costs: Approximately five percent of the total direct costs, or $1,212

Comments:

1. Ms. Ana Linder of the Public Library reports that the application deadline for the proposed grant funds was December 13, 1991. Therefore, the proposed resolution should be amended to authorize the Public Library to apply for the proposed grant funds retroactively.

2. As noted above, the proposed grant budget would include five percent of the total project budget, or $1,212 for use as indirect costs. Therefore, the title of the proposed resolution should be amended to indicate that indirect costs in the amount of $1,212, or five percent of the total grant award would be included in the grant. The body of the proposed resolution already indicates that five percent of the total grant award would be used for indirect costs.

3. Ms. Linder reports that the contractual services would be provided on a sole-source basis to the Friends of the San Francisco Public Library. Ms. Linder also reports that the Friends of the San Francisco Public Library started Project Read in 1983, and thus is very knowledgeable about the program and the San Francisco Library's services.

4. The Public Library has completed a Disability Access Checklist which is in the file.

Recommendations: 1. Amend the proposed resolution to authorize the Public Library to apply for the proposed grant retroactively.

2. Amend the title of the proposed resolution to indicate that indirect costs in the amount of $1,212, or five percent of the total grant award would be included as part of the proposed grant award.

3. Approve the proposed resolution as amended.

Item 7 - File 147-91-10

Department:	Public Library
Item:	Resolution authorizing the City Librarian to apply for a continuation Federal grant.
Grant Amount:	Not to exceed $35,000
Grant Period:	October 1, 1992 through September 30, 1993
Source of Funds:	U.S. Department of Education, Library Services and Construction Act, Title VI funds
Project:	Project Read, Student Support Services
Description:	Project Read is the adult literacy program of the San Francisco Public Library. It offers English-speaking adults, who lack basic reading and writing skills, free confidential tutoring by trained volunteers. Project Read seeks funds to enhance program effectiveness. The proposed grant funds would be used to provide stronger learner involvement in the Project Read program, by providing opportunities for adult learners to meet and learn from one another. The proposed grant funds would be used to create structure and opportunity for adult learners to increase their education and contribute to the program and to each other. The Public Library proposes to provide an adult learner council, writing workshops, quarterly workshops and an adult learner event.
Project Budget:	All of the proposed funds would be provided as contractual services to Friends of the San Francisco Library, a non-profit organization. The Friends of the San Francisco Public Library would use the funds as follows:

Personnel	FTE	
Support Services Coordinator	0.80	$21,216
Fringe Benefits		2,970
Total Personnel	0.80	$24,186
Supplies		
300 notebooks and pens for adult learners		1,500
Writing Instructor's Fees		
18 writing workshops		4,500

Guest Speaker Fees Guest speakers would introduce 18 writing workshops	$900
Writing Workshops 2 instructional workshops (spelling, etc.)	300
Printing Workshop materials, workshop announcements, recognition event invitations	1,000
Postage Workshop announcements recognition event invitations	500
Total Direct Costs	$32,886
Indirect Costs Approximately 5 percent of Total Direct Costs	1,644
Total	$34,530

Required Match: None.

Indirect Costs: $1,644 or approximately five percent of the total grant award.

Comments: 1. Ms. Ana Linder of the Public Library reports that the application deadline for the proposed grant funds was December 13, 1991. Therefore, the proposed resolution should be amended to authorize the Public Library to apply for the proposed grant funds retroactively.

2. As noted above, the proposed grant budget would include five percent of the total project budget, or $1,644 for use as indirect costs. Therefore, the title of the proposed resolution should be amended to indicate that indirect costs in the amount of $1,644, or five percent of the total grant award would be included in the grant. The body of the proposed resolution already indicates that five percent of the total grant award would be used for indirect costs.

3. Ms. Linder reports that the contractual services would be provided on a sole-source basis to the Friends of the San Francisco Public Library. Ms. Linder also reports that the Friends of the San Francisco Public Library started Project Read in 1983, and thus is very knowledgeable about the program and the San Francisco Library's services.

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4. The Public Library has completed a Disability Access Checklist which is in the file.

Recommendations: 1. Amend the proposed resolution to authorize the Public Library to apply for the proposed grant retroactively.

2. Amend the title of the proposed resolution to indicate that indirect costs in the amount of $1,644, or five percent of the total grant award would be included as part of the proposed grant award.

3. Approve the proposed resolution as amended.

Item 8 - File 147-91-11

Department:	Public Library
Item:	Resolution authorizing the City Librarian to apply for a continuation Federal grant.
Grant Amount:	Not to exceed $35,000
Grant Period:	October 1, 1992 through September 30, 1993
Source of Funds:	U.S. Department of Education, Library Services and Construction Act, Title VI funds
Project:	Project Read, Outreach Project

Description: Project Read is the adult literacy program of the San Francisco Public Library. It offers English-speaking adults, who lack basic reading and writing skills, free confidential tutoring by trained volunteers. Project Read seeks funds to enhance program effectiveness.

The proposed grant funds would be used to encourage persons to participate in the Project Read program. Reaching potential students is often difficult because adults who lack reading skills often lack access to information. A well-developed outreach plan would provide literacy for an increasing number of adults. The proposed grant funds would be used to implement an outreach plan that involves community agencies, businesses, churches, professional organizations, tutors and students. The goal is to invite more adult learners into the program, and also to increase the number of African-American and Latino volunteers.

Project Budget: All of the proposed funds would be provided as contractual services to Friends of the San Francisco Library, a non-profit organization. The Friends of the San Francisco Public Library would use the funds as follows:

Personnel	FTE	
Outreach Coordinator	0.75	$21,000
Fringe Benefits		3,150
Total Personnel	0.75	$24,150
Supplies		
Promotional supplies including magnets and pencils		1,000

Printing Bus posters, flyers and rosters with tear-off sheets	$ 2,500
Total Direct Costs	$27,650
Indirect Costs Approximately 5 percent of Total Direct Costs	1,383
Total	$29,033

Required Match: None.

Indirect Costs: $1,383 or approximately five percent of the total grant award.

Comments: 1. Ms. Ana Linder of the Public Library reports that the application deadline for the proposed grant funds was December 13, 1991. Therefore, the proposed resolution should be amended to authorize the Public Library to apply for the proposed grant funds retroactively.

2. As noted above, the proposed grant budget would include approximately five percent of the total project budget, or $1,383 for use as indirect costs. Therefore, the title of the proposed resolution should be amended to indicate that indirect costs in the amount of $1,383, or approximately five percent of the total grant award would be included in the grant. The body of the proposed resolution already indicates that five percent of the total grant award would be used for indirect costs.

3. Ms. Linder reports that the contractual services would be provided on a sole-source basis to the Friends of the San Francisco Public Library. Ms. Linder also reports that the Friends of the San Francisco Public Library started Project Read in 1983, and thus is very knowledgeable about the program and the San Francisco Library's services.

4. The Public Library has completed a Disability Access Checklist which is in the file.

Recommendations: 1. Amend the proposed resolution to authorize the Public Library to apply for the proposed grant retroactively.

2. Amend the title of the proposed resolution to indicate that indirect costs in the amount of $1,383, or approximately five percent of the total grant award would be included as part of the proposed grant award.

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3. Approve the proposed resolution as amended.

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Item 9 - File 101-91-38

Department:	Public Library
Item:	Supplemental Appropriation Ordinance for various capital improvement projects, and placing $1,374,805 on reserve.
Amount:	$4,015,003
Source of Funds:	1988 Library Improvement Bond funds

Description: The proposed supplemental appropriation request would be used for miscellaneous project services for the construction of the new Main Library. These services would include architectural and engineering services, financial and legal services from various City departments, continuation of Library staff to coordinate and manage the project, to allow existing Department of Public Works (DPW) staff to continue managing the project, and to provide funding for additional DPW staff as construction begins on the new Main Library. The source of funds for the proposed supplemental appropriation request would be proceeds from the third bond sale in June, 1991 for the new Main Library. The Public Library is requesting to use the funds for services through December, 1993. Specifically, the proposed supplemental appropriation request would fund the following:

Financial/Legal Services	
Controller	$ 15,000
Chief Administrative Officer (CAO)	1,500
City Attorney	12,500
Total Financial/Legal Services	29,000
Library Management Services (Reflects funding for 4.5 months during FY 1991-92 and includes fringes benefits)	
Chief Librarian	34,502
Librarian II	23,772
Secretary II	16,087
Total FY 1991-92 Library Management Services	74,361
DPW Management Services (Reflects funding for FY 1991-92 and includes fringe benefits and DPW overhead rate of 1.34)	
Assistant City Architect ($98 hr @ 61 hrs)	5,944
Principal Architect ($87 hr @ 61 hrs)	5,288
Project Manager ($77 hr @ 1,212 hrs)	93,331

Architect ($60 hr @ 1,414 hrs)	$ 84,841
Architect ($60 hrs @ 947 hrs)	56,843
Architectural Assoc. II ($62 hr @ 603 hrs)	37,380
Architectural Asst. II ($40 hr @ 735 hrs)	29,407
Inspector ($67 hr @ 345 hrs)	23,082
Secretary II ($37 hr @ 491 hrs)	18,176
Total DPW Management Services	$ 354,292

Architectural and Engineering Services

Environmental Science Associates, Inc.	$ 132,759
Pei, Cobb, Freed & Partners/Simon Martin Vegue Winkelstein Moris	1,007,612
O'Brien Krietzberg	35,000
Permit Fees	310,737
Archaeological Services Consultant	35,000
Geotechnical Services Consultant	120,000
Contingency (Approximately 10 percent of Construction-Related Services)	261,000
Total Architectural and Engineering Services	$1,902,108

Miscellaneous Project Expense (Includes costs for public information activities such as meetings, display flyers)	9,850
Art Enrichment Program	270,587
Total	$2,640,198

Based upon recommendations from the Mayor's Office, the proposed supplemental appropriation request would also appropriate and place on reserve $1,374,805 in funds for the following:

Library Management Services

FY 1992-93

3639 Chief Librarian	$ 103,045
3632 Librarian II	69,730
1446 Secretary II	47,187
Total FY 1992-93	$ 219,962

FY 1993-94 (through December 31, 1993)

3639 Chief Librarian	$ 54,049
3632 Librarian II	36,608
1446 Secretary II	24,773
Total FY 1993-94	$ 115,430
Total Reserved Library Management Services	$ 335,392

Construction Costs (Exploratory excavation)	1,010,000
Art Enrichment Program	29,413
Total Reserved funds	$1,374,805

The $335,392 in funds for Library Management Services would be reserved pending Civil Service Salary Standardization for FY 1992-93 and FY 1993-94. As noted above, $74,361 in funds for Library Management Services for 4.5 months during FY 1991-92 would be appropriated. The $1,010,000 for construction costs would be reserved pending detailed cost details for the exploratory excavation. The $29,413 for the Art Enrichment Program would be reserved pending Civil Service Salary Standardization details for FY 1992-93 and FY 1993-94 ($16,818) and pending expenditure details ($12,595). As detailed in Comment #10, the proposed supplemental appropriation would provide funds for Arts Commission staff during FY 1991-92. Therefore, the proposed supplemental appropriation would consist of a total of $4,015,003 in funds (consisting of $2,640,198 in non-reserved funds plus $1,374,805 in reserved funds).

Comments:

1. Mr. Fred Weiner of the CAO's Office reports that the $15,000 budgeted for the Controller's Office would be used to pay for the Controller's financial advisor, Public Financial Management. Mr. Weiner indicates that the firm was retained for the issuance of the bond sale. Mr. Weiner also indicates that the $1,500 budgeted for the CAO's Office would be used for a .02 FTE A557 Deputy Fiscal Officer who is responsible for the overall bond coordination services. The $12,500 budgeted for the City Attorney's Office would be used for Attorney staff support to review various project specifications. Ms. Martie Moore of the City Attorney's Office reports that the $12,500 would be use to fund approximately 116 hours for a staff attorney at an average hourly rate of $107.51.

2. Ms. Kathy Page of the Public Library reports that the $74,361 budgeted for the staff positions for Library Management Services would fund existing bond-funded positions within the Public Library.

3. Mr. Russ Abel of the DPW's Bureau of Architecture reports that of the above-listed nine staff positions for the $354,292 budgeted for DPW Management Services, the following four positions would be newly funded through 1988 Library Improvement bond funds: Architect, Architectural Associate II, Architectural Assistant II and Inspector. Mr.

Abel indicates that these positions are existing positions within the DPW's Bureau of Architecture, previously funded from other existing departmental work orders. Mr. Abel also reports that upon completion of the new Main Library project, these positions would be reassigned to other existing work orders in the Bureau of Architecture. Mr. Abel also reports that these four additional positions are needed because the project is approaching the construction document phase where all the design decisions have to be incorporated into the construction documents, and given the numerous design decisions which need to be made, additional staff are required. In addition, the Architect would work a total of approximately 24 weeks, the Architectural Associate II would work a total of approximately 15 weeks, the Architectural Assistant II would work a total of approximately 18 weeks on the project, and the Inspector would work a total of approximately seven weeks on the project.

4. The $132,759 budgeted for Environmental Science Associates, Inc. (ESA) would be used for the completion of the Environmental Impact Report (EIR). Mr. Abel reports that the total cost of the EIR is $576,000. Mr. Abel also reports that the public hearing for the EIR is anticipated to occur at the February 27, 1992 Planning Commission meeting. ESA is neither a MBE or WBE firm. ESA, which is located in San Francisco, has received approval from the Human Rights Commission.

5. The $1,007,612 budgeted for Pei Cobb Freed & Partners/Simon Martin-Vegue Winkelstein Moris, the existing architects for the new Main Library, would be used for upgrading seismic resistance, indoor air quality development, and exploratory investigation fees. Mr. Abel indicates that for each of these tasks, the architect would incorporate each design alternative into the construction documents. Mr. Abel reports that the $1,007,612 would be issued to the project architects as a lump sum contract, and would begin immediately through the end of December, 1992. Thus far, Mr. Abel indicates that the architect has received approximately $4.7 million, not including the proposed additional $1,007,612. Simon Martin-Vegue Winkelstein Moris is a women-owned firm, but is not a City-certified WBE firm because they are not considered economically disadvantaged.

6. The $35,000 budgeted for O'Brien Krietzsberg, the construction management consultant, would be used to conduct a constructability analysis. Mr. Abel explains that a a constructability analysis involves examining the proposed

building in detail and determining whether there would be any better and less costly ways to achieve the same design. Mr. Abel indicates that the $35,000 would be issued as a lump sum contract and would begin immediately through the end of December, 1992. O'Brien Krietzberg is neither a MBE or WBE firm.

7. The $310,737 budgeted for Permit Fees would be used for the DPW's Bureau of Building Inspection's Building permits, and also for parking variance permits.

8. The $35,000 budgeted for the archaeological services consultant and the $120,000 budgeted for the geotechnical services consultant would be used during the exploratory excavation phase of the project. Mr. Abel reports that the site of the new Main Library would be built upon a former cemetery and upon the former City Hall site. Mr. Abel indicates that these consultants would monitor the excavation efforts and make recommendations regarding the uncovering of any historical artifacts or human remains. However, these consultants have not yet been selected. Therefore, the Budget Analyst recommends reserving the $35,000 budgeted for the archaeological services consultant and the $120,000 budgeted for the geotechnical services consultant pending the MBE/WBE status of the consultants and finalized cost details.

9. The $261,000 budgeted for the contingency is based upon approximately 10.6 percent of the Architectural and Engineering Services and Construction costs, excluding the $132,759 budgeted for the EIR and the $310,737 budgeted for the permit fees.

10. Section 3.13 of the San Francisco Administrative Code states that up to two percent of the gross estimated above-ground construction costs for the Main Library shall be allocated to the Arts Commission for the adornment of the proposed structure with paintings, sculpture or other works of art. Mr. Abel indicates that the total funds for Art Enrichment is approximately $1.5 million, which is two percent of the $75 million estimated above ground construction costs for the new Main Library. In addition, Mr. Abel also indicates that approximately $350,000 has already been approved for Art Enrichment purposes. Ms. Jill Manton of the Arts Commission reports that the $270,587 budgeted for Art Enrichment would be used as follows:

Artist Fees Fees for four artists commissioned for site-specific art work to be integrated into	$ 200,000

construction of the building. The four artists are Nayland Blake, Alice Aycock, Ann Hamilton, and Lothar Baumgarten.

Architects' Fees Art project coordination beyond what is specified in the architects' scope of work including working drawings for art projects and cost estimation. These fees would be paid directly to the architect.	$ 66,000
Art Commission Administrative Fees (Average hourly rate of $36.63 for @ 125 hours from April 2, 1992 through June 30, 1992) Curator II	4,587
Total Art Enrichment Program	$270,587

As noted, $29,413 of additional funds would be reserved for the Art Enrichment Program pending Civil Service salary standardization details for FY 1992-93 and FY 1993-94 ($16,818) and pending expenditure details ($12,595). Therefore, the proposed funds for the Art Enrichment Program would be $300,000, consisting of $270,587 in non-reserved funds and $29,413 in reserved funds.

Recommendations: 1. Amend the proposed supplemental appropriation request to reserve the $35,000 budgeted for the archaeological services consultant and the $120,000 budgeted for the geotechnical services consultant pending the MBE/WBE status of the consultants and finalized cost details.

2. Approve the proposed ordinance as amended.

Item 10 - File 27-91-9

Department: San Francisco Airport

Item: Ordinance approving modification of the South Terminal Principal Concession Lease and Agreement for Retail Merchandising Sales between Host International, Inc. and the City and County of San Francisco, acting by and through its Airports Commission. (A proposed ten-year extension for a separate lease with Host at all three terminals at the Airport, for the cafeteria, coffee shops, bars and restaurant concessions, is currently pending before the Board of Supervisors).

Description: Pursuant to Resolution 85-0164, Host International, Inc. was awarded the exclusive right to sell retail merchandise in the Airport's South Terminal, under the South Terminal Principal Concession Lease and Agreement for Retail Merchandise Sales. Under this lease agreement, Host International, Inc. currently occupies 12,376 square feet of space, in the South Terminal. The proposed lease agreement modification would add an additional 170 square feet of space to Host International's existing square footage, bringing the total available square footage to 12,546 in order to permit Host International to develop an additional retail facility in the South Terminal. This additional facility will consist of a newsstand located in the South Terminal's Boarding Area C. The Airport reports that at the time that Host International's original lease was processed, it was unclear as to whether or not the 170 square feet of space would be available, due to construction work that was being performed in connection with the Airport's Master Plan. As such, according to the Airport, the space was not originally included in the lease agreement with Host International. Under this lease agreement, Host International paid the Airport $2,962,074 in revenues, in 1990-91 (the minimum annual guarantee). Host must pay the Airport either 20 percent of gross receipts or a $2,962,074 minimum annual guarantee, whichever is greater.

Comment: Ms. Angela Gittens of the Airport reports that of the current 12,376 square feet of space leased by Host International, in the South Terminal, 3,800 square feet or 30.7 percent is subleased to 12 MBE firms. The MBE facilities consist of four souvenir shops, three candy stores, three flower shops and two sea food shops. Ms. Gittens advises that while the proposed lease modification would provide an additional 170 square feet of space for Host International, the actual net increase of space to Host would be 120 square feet because Host has submitted a sublease amendment to add an additional 50 square feet to one of the existing MBE facilities (a souvenir shop) located in Boarding Area C.

Recommendation: Approve the proposed ordinance.

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Item 11 - File 101-91-36

Department: Airport Commission

Item: Supplemental Appropriation Ordinance for Program Project Budget, Bond Redemption, Capital Improvement Project (Groundside Improvements), Debt Service, and Professional and Special Services, Rescinding $12;000,000 from various Capital Improvement Projects, Airport Commission for FY 1991-92.

Amount: $260,001,377

Source of Funds:

Series I Revenue Bond proceeds	$224,040,000
Debt Service Reserve on 1975 Airport Revenue Bond Fund	11,918,527
Debt Service Reserve on 1981 Airport Revenue Bond Fund	6,021,425
Airport Capital Projects	12,000,000
Airport Operating Fund - Debt Service Reserve Payment	6,021,425
Total	$260,001,377

Description: The Board of Supervisors recently approved a resolution authorizing the issuance of Series 1 Revenue Bonds to refinance the 1975 Revenue Bonds, Series A, and the 1981 Revenue Bonds, Series C. The Airport used Series A bonds to finance the construction of the Airport Garage, which was completed in 1978, and Series C bonds to finance the central terminal modernization, which was completed in 1982. The proposed supplemental appropriation ordinance would:

- Appropriate funds from this recent bond issuance to refinance the 1975 and 1981 Airport Revenue Bonds, pay for associated costs of the bond issuance, and establish a debt service reserve for the refunding bonds;

- Reallocate $12,000,000 in existing Capital Improvement Project funds to a bond contingency fund required by the bond indenture;

- Reallocate $6,021,425 in existing Airport Operating funds intended for the refunded 1981, Series C, debt service reserve to groundside capital improvements.

The Airport has proposed the following budget:

Refunding escrow account to be used for 1975 and 1981 Bond redemption	$202,690,000	
1975 Bond redemption	11,918,527	
1981 Bond redemption	6,021,425	
Debt Service Reserve on Refunding Revenue Bonds	20,500,000	
Costs of bond issuance including bond counsel, advisors, financial service fees	850,000	
Subtotal refinancing of 1975 and 1981 Revenue Bonds		$241,979,952
Required contingency fund reserved for refunding bonds		12,000,000
Groundside capital improvements fund - unallocated		6,021,425
Total appropriation		$260,001,377

Comments:

1. The Airport reports that the refinancing of the 1975 and 1981 Revenue Bonds resulted in a savings of approximately $14.9 million. According to Mr. John Martin, the savings would be used to offset fees charged to the Airport's tenants.

2. The Airport has budgeted $850,000 to pay for the costs of bond issuance, including bond counsel, financial advisors, and the feasibility consultant. The Airport has furnished the following budget for these costs:

Financial Advisor Funds would pay for fees and expenses including bond printing costs. Contractors are Lazard Freres and Company ($227,500) and Grigsby, Brandford and Company (MBE, $122,500)	$350,000
Bond Counsel Funds would pay for fees and expenses of bond counsel. Contractors are Orrick, Herrington and Sutcliffe ($227,500) and Pamela S. Jue (WBE, $122,500)	350,000
Feasibility Consultant Funds would pay for fees and expenses of John F. Brown and Company.	150,000
Total bond issuance costs	$850,000

Recommendation: Approve the proposed ordinance.

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Item 12 - File 101-91-41

Department:	Mayor's Office Employee Relation Division (ERD)
Item:	Supplemental Appropriation Ordinance for other contractual services; providing for ratification of action previously taken.
Amount:	$86,169
Source of Funds:	General Fund - General Reserve

Description: The proposed supplemental appropriation request would provide additional funds to the Employee Relations Division (ERD) for legal costs associated with the implementation of Proposition D, approved by the voters in November, 1990. Proposition D requires the City and safety officer organizations (Police Officers, Firefighters and Airport Police) to negotiate, through collective bargaining procedures, wages, hours, benefits and working conditions.

During FY 1990-91, the Mayor's Office engaged Liebert, Cassidy & Frierson on a sole-source basis because of the firm's experience with the City and the firm's collective bargaining experience in arbitration in other Bay area localities. The proposed supplemental appropriation would provide additional funds to the firm of Liebert, Cassidy & Frierson which continued to perform the collective bargaining tasks required by Proposition D from August 23, 1991 through November 25, 1991. The rates under the Liebert, Cassidy & Frierson contract to perform Proposition D tasks are as follows:

Position	Hourly Rates
Paralegal	$75
Associate	$125-165
Partner	$175-185

Specifically, the funds would be used to provide the following payments to Liebert, Cassidy & Frierson:

Period	Amount
August 23 through September 17, 1991	$20,922
September 18 through October 21, 1991	28,462
October 22 through November 25, 1991	36,785
Total	$86,169

Comments:

1. On April 8, 1991, the Board of Supervisors approved a supplemental appropriation ordinance (File 101-90-72) which appropriated $232,985 in funds for costs associated with collective bargaining tasks for the implementation of Proposition D. Included in this supplemental (File 101-90-72) was $173,353 for Liebert, Cassidy & Frierson, $50,000 for arbitration, court reporter, transcript and expert witness costs, and $9,632 for the addition of an AA04 Employee Relations Assistant. This Employee Relations Assistant was included in the ERD's budget also for FY 1991-92, at an annual cost of $35,366, excluding fringe benefits. According to the Mayor's Office, this new position would be used to facilitate the wide range of research that will be necessary to present a competent case to arbitrators.

2. The proposed supplemental appropriation request would be used for additional services provided by Liebert, Cassidy & Frierson, above and beyond the services provided under the previous $173,353 supplemental (File 101-90-72). Ms. Maggie Jacobsen of the ERD reports that these additional services were required because the process of implementing Proposition D continued beyond the end of FY 1990-91. In addition, Ms. Jacobsen indicates that arbitration was required for the Police, Airport Police, and Firefighters. In addition, Ms. Jacobsen reports that a court case resulted regarding Firefighters' collective bargaining. Ms. Jacobsen also indicates that because of the legal expertise required to prepare for arbitration and the experience needed in working with City organizations, these additional services could not be accomplished with existing ERD staff.

3. Ms. Jacobsen reports that currently arbitration with the Police, Airport Police, and Firefighters is still in progress. Ms. Jacobsen indicates that based upon a court decision, the Firefighters and the City were instructed to return to the bargaining table, and the Firefighters are appealing that decision. However, Ms. Jacobsen also reports that Liebert, Cassidy & Frierson have not continued negotiations beyond November 25, 1991, and that negotiations have been suspended pending determination by the new administration as to how to proceed.

4. As noted above, the proposed supplemental appropriation request would provide for ratification of action previously taken because the legal services have already been provided by Liebert, Cassidy & Frierson. Ms. Jacobsen reports that since the City was legally-mandated to implement Proposition D, Liebert, Cassidy & Frierson continued collective bargaining negotiations with the Police, Firefighters and Airport Police even though the $173,353 in

funds provided to Liebert, Cassidy & Frierson under the previous supplemental appropriation (File 101-90-72) had been fully expended. According to Mr. Jeff Sloan of Liebert, Cassidy & Frierson, Mr. Claude Everhart, former Deputy Mayor for Operations, instructed Liebert, Cassidy & Frierson to continue to provide legal services to the City although additional funds had not been identified for payments and approval had not yet been obtained from the Board of Supervisors. Ms. Jacobsen concurs with Mr. Sloan's remark.

5. Ms. Jacobsen reports that it has not yet been determined whether additional supplemental funds beyond the proposed $86,169 request, would be required to continue implementation of Proposition D. Ms. Jacobsen notes that whether additional funds would be needed depends upon the level of future arbitration. As noted, arbitration for the Police, Airport Police and Firefighters is still in progress.

6. Also as noted above, the source of funds for the proposed supplemental appropriation request would be the General Fund. Also as noted above, a supplemental appropriation request (File 101-90-72) for $232,985 has been previously approved by the Board of Supervisors, and a new AA04 Employee Relations Assistant has been added to the ERD's FY 1991-92 budget at an annual cost of $35,366, excluding benefits, to facilitate research related to arbitration. In light of the City's current fiscal situation including a projected $91.7 million revenue shortfall for fiscal year 1992-93, the Budget Analyst believes that approval of the proposed ordinance is a policy matter for the Board of Supervisors. As also previously noted, reportedly, Liebert, Cassidy & Frierson was instructed to continue to provide services.

Recommendation: Approval of the proposed ordinance, which would grant approval to obligations already incurred, is a policy matter for the Board of Supervisors.

Item 13 - File 101-91-37

Department: Public Utilities Commission (PUC)
Municipal Railway (MUNI)

Item: Supplemental Appropriation Ordinance for other fringe benefits, Municipal Railway for FY 1991-92.

Amount: $660,000

Source of Funds: General Fund - General Reserve

Description: MUNI's FY 1991-92 budget includes $10,500,000 in other fringe benefits for the Transit Operators Trust Fund, which is provided for in Charter Section 8.404(f). Charter Section 8.404(f) provides for the establishment of a Trust Fund for MUNI transit operators. The Charter further provides that the City may contribute to the Trust Fund an amount equivalent to the difference between the value of fringe benefits paid to transit operators in other transit districts and the value of fringe benefits paid to MUNI transit operators.

In subsequent negotiations with the Transit Workers Union, the agreed upon amount, as stated in the Memorandum of Understanding (MOU), between the City and the Transit Workers Union, to be contributed to the Trust Fund for FY 1991-92 was $11,105,000. In addition, in a side-letter to the Transit Workers Union, the Mayor's Office agreed to an increase in the contribution to the Trust Fund by an additional $55,000 to cover the increased contribution rates associated with the recent Domestic Partner's legislation. The Domestic Partner's legislation allows domestic partners to be claimed as dependents, which qualifies them for medical benefits with the City, paid by the City employee. The total amount to be contributed to the Trust fund and the calculation of the amount of this request is as follows:

Trust Fund Required Contribution per MOU	$11,105,000
Additional amount agreed to in Side-letter	55,000
Total to be contributed to Trust Fund	$11,160,000
Amount budgeted in MUNI's FY 1991-92 budget	10,500,000
Amount of Supplemental Appropriation required	$660,000

Therefore, MUNI is requesting the proposed supplemental appropriation of $660,000 from the General Fund Reserve to increase MUNI's budget for other fringe benefits. MUNI budgets contributions to the Trust Fund under other fringe benefits.

Comments: 1. The Board of Supervisors previously ratified the MOU with the Transit Workers Union (No. 740-91) on August 26, 1991. Although the Charter does not specify that the City must contribute an amount to the Trust Fund, annually, the City has previously agreed to, and the Board of Supervisors has ratified, an MOU with the Transit Workers Union, which specified the amount of $11,105,000 to be contributed to the Trust Fund for FY 1991-92 or $605,000 more than the amount contained the 1991-92 budget. However, MUNI is requesting a total amount of $11,160,000 or $55,000 more than the $11,105,000 amount included in the previously approved MOU.

2. It should also be noted that the Board of Supervisors, in ratifying the MOU with the Transit Workers Union, did not ratify the side-letter pertaining to the $55,000 cost. The side-letter was between the Mayor's Office and the Union. As such, the requested $55,000 contribution to the Trust Fund represents a cost to the City for which the Board of Supervisors has never ratified. Therefore, we consider approval of the contribution of an additional $55,000 to the Trust Fund, which would increase total Trust Fund costs to $11,160,000 for fiscal year 1991-92, as a policy matter for the Board of Supervisors.

Recommendations: 1. Approve the proposed ordinance in the amount of $605,000.

2. Approval of the additional amount of $55,000 is a policy matter for the Board of Supervisors.

Item 14 - File 97-91-61

Department: War Memorial and Performing Arts Center

Item: Ordinance amending Section 10.169-5 of the San Francisco Administrative Code to increase the cash revolving fund for the San Francisco War Memorial to $4,000.

Source of Funds: General Fund 1991-92 budgeted funds

Description: Section 10.169-5 of the Administrative Code currently provides for a Cash Revolving Fund for the War Memorial in the amount of $2,000. The proposed ordinance would amend Section 10-169-5 of the Administrative Code to increase the cash revolving fund for the War Memorial by $2,000, from $2,000 to $4,000. $2,000 was included in the War Memorial's 1991-92 budget for the purpose of increasing its revolving fund.

According to the City's Purchasing Procedures Manual, revolving funds are established to accommodate the need for petty cash, urgent, non-recurring purchases, and small repairs. As revolving fund purchases deplete the revolving fund, Direct Payment Vouchers are submitted to the Controller's Office. These Direct Payment Vouchers provide a detailed list of all expenditures and the source of funds. The Controller's Office then replenishes the Department's revolving fund for the amount of the Direct Payment Voucher. Generally, revolving funds should contain sufficient funds to cover two times the amount submitted on each Direct Payment Voucher. This would allow the Controller's Office to process one-half of the amount of the revolving fund for reimbursement back to the Department, while the Department uses the other half to make revolving fund purchases.

Comments: 1. The War Memorial submitted 14 Direct Payment Vouchers in 1991, totalling $21,189. The average monthly revolving fund expenses was $1,766. Seven of the 14 vouchers totalled over $1,900. As noted above, revolving funds should generally contain sufficient funds to cover two times the amount submitted on each Direct Payment Voucher. Since most of the vouchers were close to $2,000, this would justify the increased amount.

2. According to Mr. John Madden of the Controller's Office, departments may purchase, through the revolving fund, items from companies with City purchasing contracts and receive discounted prices. Mr. Madden advises that every purchase made through the revolving fund undergoes the

same review process as purchases made through a purchase order. However, the review process occurs after, not before, the purchase takes place. Mr. Madden states that the Controller is equally empowered to disapprove a revolving fund and a purchase order request, but that if a purchase, made through the revolving fund, is retroactively disapproved, the Department Head must take personal responsibility for the purchase. According to Mr. Madden, using the revolving fund, rather than purchase orders, for small purchases allows departments to make purchases more quickly. In addition, Mr. Madden reports, the Controller is able to reimburse the revolving fund at intervals, rather than writing checks or maintaining records for a number of small purchases to a variety of vendors.

3. Most of the purchases made by the War Memorial through the revolving fund included routine purchases, such as newspaper subscriptions, express mail, and office and janitorial supplies, that could have been made through the Purchasing Department. Although departments may purchase items from companies with City purchasing contracts and receive discounted prices, departments do not necessarily do so. Thus, departments may be purchasing items at prices that are higher than necessary. In addition, by approving purchases retroactively through the revolving fund, instead of proactively through a purchase order, the City concedes a degree of control over those purchases.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 15 - File 100-91-1.12

Note: This item was continued from the recessed Finance Committee meeting of January 2, 1992.

Department: Recreation and Park Department

Item: Requesting release of reserved funds

Amount:

$ 16,478	Payroll Clerk for six months
305,000	Operating scoreboard at Candlestick Park during 1991 baseball and football seasons and to make one-time animation enhancements to the scoreboard operation
$ 321,478	Total

Description: During the FY 1991-92 budget deliberations, the Finance Committee placed six items on reserve in the Recreation and Park Department's budget. At the December 18, 1991 Finance Committee meeting, the Finance Committee approved release of two items on reserve. At this time, the Recreation and Park Department is requesting the release of reserved funds for an additional two items on reserve.

The Department is requesting the release of $16,478 for six months funding for one Payroll Clerk position. These funds were placed on reserve pending a report back to the Finance Committee on the recently installed payroll system. The Recreation and Park Department indicates that based on the first three months of this fiscal year, although savings were realized in the Controller's budget, no additional staff savings have been realized in the Recreation and Park Department as a result of the new payroll automation. According to the Department, if this reserve is not released, it would result in a 25 percent reduction (one FTE) in their payroll staff and may jeopardize the Department's ability to meet their payroll obligations. This Payroll Clerk position is funded through the General Fund.

In addition, the Department is requesting the release of $305,000 which was budgeted to pay the Giants for operating the scoreboard at Candlestick Park and to make one-time animation enhancements to the scoreboard operation. These funds were placed on reserve pending a decision by the Board of Supervisors on the Giants lease at Candlestick Park. The Department reports that the Controller's Office completed an audit of the scoreboard operations in July, 1991, which showed that the Giants scoreboard operating costs included in the Recreation and Park Department's budget were reasonable and the Giants lease amendment was approved by the Board of Supervisors on September 16, 1991. These funds to pay the Giants for operating the scoreboard at Candlestick Park are paid through the Candlestick Park Fund.

Comments:

1. According to Mr Phil Arnold of the Recreation and Park Department, the recently installed payroll system did not result in any significant productivity improvements in the Recreation and Park Department, although such improvements did occur in the Controller's Office, resulting in reductions in the Controller's Office's staff. The Recreation and Park Department currently has four Payroll Clerks and one Supervising Payroll Clerk, for a total of five payroll positions, for a payroll of approximately 1,000 employees. According to Ms. Sandra Holmes of the Controller's Office, the Fire Department has approximately 1,600 employees, with a total of five payroll positions, a ratio of one payroll position for each 320 employees. The Controller's Office has approximately 500 employees and only one payroll clerk position. Ms. Holmes projects that based on individual department's payroll requirements, one payroll position for each 400-500 employees should be required. Based on the Recreation and Park Department's current staffing, there is approximately one payroll position for each 200 employees. Based on this review, the Budget Analyst does not recommend releasing the requested $16,478 of funds for the last six months of fiscal year 1991-92 for one Payroll Clerk financed with General Fund monies. Because this would result in the elimination of an existing position, a layoff would be involved, but there are possible bumping rights.

2. Concerning the requested release of the $305,000 for the Giants to operate the scoreboard at Candlestick Park, it should be noted that although the overall Giants lease agreement was approved by the Board of Supervisors in September, 1991, to date, the Recreation and Park Department has not entered into a written agreement with either the Giants or the Forty Niners regarding the selling of video advertising at Candlestick Park. This issue was initially brought to the attention of the Board of Supervisors in August, 1991, when it was revealed that both the Giants and the Forty Niners were selling video advertising without any written authority from the City, and as a result, none of the advertising revenues from this video advertising was paid to the City. At that time, the Recreation and Park Department indicated that both the Giants and the Forty Niners agreed in principle with the need for a written contract. However, as previously noted, to date, no written contract has been approved by the Recreation and Park Commission or the two teams. As a result, the Finance Committee continued an

ordinance (File 65-91-3.1) by the Recreation and Park Department requesting an amendment to the Sony agreement concerning the scoreboard and other related services at Candlestick Park, pending submission of such a written agreement to the Board of Supervisors.

3. On December 18, 1991, the Budget Analyst was provided a draft copy of the proposed contract between the City and the Giants and the Forty Niners. This draft contract would enable the Giants for baseball games and the Forty Niners for football games to sell and display video advertising, subject to the following five conditions:

(1) Video advertising would be limited to a total of ten minutes per game;

(2) Individual video advertisements would be limited to a maximum of 30 seconds;

(3) Video advertisements would be limited to one minute per advertiser per game;

(4) Video advertisements would be subject to review by the Recreation and Park Department. The Department will adhere to reasonable advertising standards as used for other similar purpose stadia in deciding whether to accept or reject any advertising; and

(5) Video advertisements shall not compete with advertisements sold pursuant to the City's Agreement with Sony.

In addition, the Giants and Forty-Niners would have the right to sell and display video and matrix board feature and/or public service message lead-ins and lead-outs and personal messages for individuals and groups attending the games.

4. According to the proposed draft contract, the Giants and the Forty-Niners would be able to establish their own rates and charges for the proposed advertising and must provide these rates and charges to the General Manager of the Recreation and Park Department at least 30 days prior to the respective baseball and football seasons.

The Giants and Forty Niners would pay the City 50 percent of all gross revenues received from the sale of the video advertising at Candlestick Park and these funds would be deposited in the Candlestick Park Stadium Fund. However, the Giants and Forty Niners would retain 100 percent of all revenues they receive from the sale of all public service messages and personal messages displayed at Candlestick Park.

5. Mr. Arnold was not able to provide an estimate of the revenues that would be paid to the City under the proposed draft contract.

6. As noted above, an earlier Budget Analyst review of advertising at Candlestick Park revealed that both the Giants and the Forty Niners were selling video advertising without any written authority from the City, and as a result, none of the advertising revenues from this video advertising was paid to the City. However, under the proposed draft contract, the City would not receive any compensation for prior unauthorized advertising that both the Giants and Forty Niners conducted. The Budget Analyst questions whether additional compensation could be received from the Giants and the Forty Niners on a retroactive basis.

7. In addition, the proposed draft contract would permit commercial advertising at Candlestick Park by the Giants and Forty Niners, which is not currently permitted under the contract with Sony. The Budget Analyst notes that the use of commercial advertising at Candlestick Park has been previously questioned by the Board of Supervisors. As of the writing of this report, a finalized contract has not been provided to the Budget Analyst.

8. The Budget Analyst also notes that the Giants and Forty Niners would keep 100 percent of all the revenues they receive from the sale of public service and personal messages and would pay to the City only 50 percent of all commercial advertising revenues received under the proposed contract arrangement. The Giants and Forty Niners would receive the balance of the revenues. It should also be noted that the costs for the Giants to operate the scoreboard and equipment at Candlestick Park is fully paid by the City, at a cost of $305,000 annually, as is being requested in this item. In contrast, under the existing contract with Sony, Sony receives the first $1 million of advertising revenues each year through 1997, pays the City $218,545 to operate the scoreboard and is responsible for repairing and maintaining the equipment at a cost of approximately $65,000 per year. Advertising revenues that exceed $1 million annually

are split 65 percent to the City and 35 percent to Sony. After 1997, all advertising revenues will accrue to the City. According to the Controller's audit conducted for the period April 1, 1989 through March 31, 1990, in addition to the monies Sony paid the City to operate and maintain the scoreboard, the City, through the Candlestick Park Stadium Fund, received $159,944 of advertising revenues from Sony.

9. As noted above, a finalized contract to permit the Giants and the Forty Niners to advertise at Candlestick Park has not been provided to the Budget Analyst and the Board of Supervisors. Furthermore, the Budget Analyst raises questions regarding the draft contract concerning (a) the issue of whether the City should receive payments for prior unauthorized advertising on a retroactive basis, (b) the issue of whether the City should receive any of the advertising from the sale of public service and personal messages displayed at Candlestick Park and (c) the equity of paying to the City only 50 percent of all advertising revenues received under the proposed draft contracting arrangement. Therefore, the Budget Analyst recommends that the request for the release of $305,000 for operating the scoreboard at Candlestick Park be continued until the Board of Supervisors has an opportunity of examining the finalized advertising contract with the Giants and the Forty Niners. This recommendation is consistent with the previous action of the Finance Committee to continue another related request from the Recreation and Park Department.

Recommendations: 1. Do not release the requested $16,478 of funds for the last six months of fiscal year 1991-92 for one Payroll Clerk financed with General Fund monies.

2. In accordance with Comment 9 above, continue the requested release of $305,000 for operating the scoreboard at Candlestick Park until the Board of Supervisors has an opportunity to examine the finalized advertising contract with the Giants and the Forty Niners.

Item 16 - File 100-91-7

Note: This item was continued by the Finance Committee at its meeting of January 15, 1992.

1. The item is a hearing to consider the status of the City's economic vitality and business climate.

2. According to the State Employment Development Department (EDD), the local and regional economy of San Francisco and the Bay Area is characterized primarily by a large and growing service sector. The service sector comprised 33.3% of jobs in San Francisco County in 1988. Below is a breakdown of jobs within San Francisco County in 1988 (the last year for which data are available), as determined by EDD, with projected percentage changes in the size of each sector through 1993. The substantial growth in the service sector is attributable to the strength of business services, engineering, accounting and research services, medical services, and legal services, and rapid expansion in the hotel industry.

Major San Francisco Industries and Projected Changes in Employment

	Percentage of S. F. Employment (1988)	Increases (Decreases) from 1988-1993*	Projected Percentage of S. F. Employment (1993)
Services	33.3%	11.4	35.9%
Government	16.1	1.7	15.8
Retail Trade	13.9	4.6	14.0
Finance, Insurance & Real Estate (FIRE)	13.9	-2.7	13.0
Manufacturing	7.4	-6.3	6.7
Transportation and Public Utilities	7.1	-2.3	6.7
Wholesale Trade	5.6	-3.5	5.3
Mining and construction	2.7	-4.5	2.5
Total Employment	100.0%	3.4	100.0%

* Column 2 shows the expected percentage change in employment between 1988 and 1993 by industry. Due to variations in the size of each industry (Column 1), and the projected increase of 3.4% in San Francisco's employment between 1988 and 1993, the net effect by 1993 cannot be obtained by simply adding the percentage changes shown by industry. Column 3 reflects the expected effect on San Francisco's total employment of these changes on each sector relative to its size.

3. Finance, Insurance and Real Estate has been a strong segment of the local San Francisco economy, representing 13.9% of San Francisco County jobs in 1988. A 1990 report of business conditions published by Standard & Poor's indicated that the segment's 11% share of Bay Area employment compared with an average share of 7% for Western metropolitan areas, and that banking's share

alone, at 5%, was "twice as concentrated" in the San Francisco area as in the average urban area of the nation. The report also noted that the 2% annual decline in banking employment since 1986 stemmed from "white collar consolidations now endemic to that industry." The effects of these trends on San Francisco's banking industry will hurt the local economy, but should also be interpreted in the context of such larger industry shifts.

4. Increasing Focus on International Trade. The region's economy is developing an increasingly important concentration in international trade, according to a 1991 report by the Center for the Continuing Study of the California Economy (CCSCE). The value of exports and imports passing through the San Francisco custom district more than doubled between 1983 and 1989. Many jobs in the finance industry and in legal and professional services are probably related to this growing segment of the economy. The two major groups of Trade (wholesale and retail) and Services could account for 70% of job gains in the Bay Area through 2000, with the strength of international trade being a prime determinant of the continued vitality of the regional economy.

5. Tourism. According to a February, 1991 report of the San Francisco Chamber of Commerce, tourism continues to grow at an annual rate of 2-4% annually, accounting for 11.1% of San Francisco jobs. These visitors are 30% business travelers, 36% conventioneers or tour groups, and 34% tourists or others, and they pay approximately $140 million in taxes annually to the City, as reported by the Chamber of Commerce.

6 Retail Sales/Effects of Recession. Figures from the California Board of Equalization and U.S. Chamber of Commerce indicate that taxable retail sales in San Francisco in 1990 were 5.6% higher than in 1989, as compared with an overall growth rate of only 3.4% for California. The 5.0% growth in sales within the San Francisco Primary Metropolitan Statistical Area (San Francisco, Marin, and San Mateo Counties) was higher than for the Bay Area taken as a whole, with retail sales growth of 2.8%. Sales grew by 3.8% in 1990 for the nation.

Board of Equalization figures also show that taxable retail sales in the first half of 1991 decreased by 1.3% over the same period in 1990. This compared favorably with a decline of 3.6% for California and 6.3% for Los Angeles.

7. Growing Apparel Industry. San Francisco is now the third largest apparel manufacturing center in the U.S., according to the Chamber of Commerce, accounting for 30% of the manufacturing jobs in the City. Gains in this industry are due in part to shifts in the retail industry away from large department stores toward specialty and chain stores. Retail apparel stores are expected to exhibit employment gains between 1988 and 1993 of 3.4%, according to EDD.

8. Future Growth of Bay Area Jobs and Population. According to CCSCE's 1991 report, the Bay Area will add more jobs than any California region, except the Los Angeles Basin through the year 2000, although the rate of growth will be the slowest of all regions of the State. Rates of job growth for all regions of California will still exceed the national average.

CCSCE reports that job growth in the Bay Area will entail a substantial increase in population. CCSCE estimates that the region could increase by as many as 877,000 new residents by the year 2000, slightly more than the estimated 844,000 new residents added between 1980 and 1990.

According to U.S. Census figures, San Francisco's population grew by 6.6% in the 1980s, slower than the Bay Area growth rate of 16.5% for the period. The number of Asian residents increased by 43%, while the number of Hispanic residents grew by 20.8%. These figures suggest that the nation's strong increase in immigration from abroad during the decade may have accounted for a significant portion of San Francisco's population growth.

9. Increased Decentralization of Housing and Jobs. Growth during the 1979-89 period was accommodated through greater decentralization of housing and employment centers. The very high rate of job growth in outlying areas of the region between 1979-90 is shown in Exhibit 1. Changes in percentage employment shares of Bay Area counties between 1972-1989 is shown in Exhibit 2, which reflects the decline in San Francisco's share of Bay Area employment from 25.1% in 1972 to 19.4% in 1989.

10. Job Growth in San Francisco. A 1990 guide to business conditions published by Standard and Poor's indicates that the average annual job growth of 1.4% in the San Francisco area between 1986-89 was the fifth worst rate of growth among 23 metropolitan areas in the West. This was attributed to high building costs, a lack of affordable building space, and out-migration of business due to low office vacancy rates and associated high rents.

According to the Mayor's Office of Business and Economic Development, job growth in San Francisco is constrained by business density and growth restrictions, although the City's "compound annual rate of employment growth since 1988 at 1.5% has been higher than for any other four year period since 1972."

11. Commercial vacancy rates. Business expansions into San Francisco are influenced in part by the availability and cost of office space. Figures issued in late 1991 by MOBED, citing the Society of Office and Industrial Realtors, indicate that San Francisco's office vacancy rate of 15.1% is the second lowest of the top ten real estate markets in the nation, after New York City (13.7%). The Chamber of Commerce recently announced renewed efforts to attract and retain businesses in San Francisco. According to Mr. Jim Lazarus of the Chamber of Commerce, commercial rents in San Francisco have become more competitive with neighboring communities, but the local business tax is still a significant burden which creates a disincentive to firm location in the City.

12. Business Taxes. San Francisco's business tax is assessed either on a firm's total payroll or total gross receipts, with the base chosen which produces the higher tax assessment. A firm is exempt from the business tax if its liability is less than $2,500, but all businesses must pay a business registration fee of $150. The registration fee is waived for firms grossing less than $15,000.

According to Mr. John Tanaka in the Tax Collector's Office, in Fiscal Year 1990-91, only 6,500 of the 56,000 firms doing business in San Francisco, or approximately 11.6%, paid business tax to the City.

Of the firms which do pay business tax, most pay the tax on payroll rather than gross receipts. In FY 1990-91, according to Mr. Tanaka, the City received $126 million in payroll taxes and $21 million in gross receipts taxes, for a total of $147 million in business tax revenue. (Of the total business tax receipts, this equates to 85.7% payroll tax and 14.3% gross receipts tax.)

The gross receipts tax rate differs for different types of businesses in the City. The Tax Collector classifies businesses among 15 categories, and assigns tax rates of either .123% ($1.23 per $1,000 of gross receipts), .15%, or .30% according to the business classifications. According to Mr. Tanaka, these differential rates have been adjusted slightly over the years, but are essentially patterned after the Los Angeles business tax ordinance which was used as a model for San Francisco's business tax when it was adopted in 1968. Many businesses in the Finance, Insurance, and Real Estate sector are exempt from local business taxes under California law.

13. Labor Supply/Unemployment. Another factor influencing business location decisions is the availability of skilled labor. A 1990 Standard and Poor's report indicated that the San Francisco area's unemployment rate of 3.4% in 1989 was among the 20 lowest in the nation, and that the higher growth rate of jobs relative to growth of the labor rate had significantly tightened the labor market between 1986-89.

Figures from EDD indicate that unemployment in San Francisco in 1990 was 4.0%, somewhat lower than the 5.6% rate in California and the national average of 5.5%. Even during the current recession, the City's unemployment rate has been relatively low, with the unadjusted rate for October 1991 being 5.3% in San Francisco compared to 7.8% in Los Angeles, 7.3% Statewide, and 6.4% nationally.

14. Per capita income/Housing costs. Per capita income in the Bay Area is among the highest in the nation. The $28,000 per capita income level in the San Francisco Metropolitan Statistical Area (including Marin and San Mateo Counties) in 1989 was the second highest in the nation; San Francisco's level was $28,742.

The CCSCE report indicates that per capita income in the Bay Area grew at an average annual rate of 2.1% between 1979-89, faster than the State average of 1.1% and faster than any other region in the State. Total personal income rose at an average annual rate of 3.6% in the same period, compared to the national average of 2.7%. According to the report, however, "high wage rates only partly offset high housing prices," with the Bay Area having the 14th least affordable housing market in the nation, second in California only to Anaheim.

15 Housing Construction. CCSCE reports that residential housing construction in the Bay Area will continue to be strong, but that it will be concentrated outside of San Francisco in areas where land is abundant and less costly. The "residential focus," therefore, "will continue moving to the fringes."

Continued lack of residential space and affordability in San Francisco will result in continuing high prices for labor and possible shortages of skilled workers, continuing problems of inadequate transportation, and continued high personal expenditures for housing services.

Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Kent Sims
Adelle Foley
Ted Lakey

Exhibit 1

San Francisco Bay Area
Wage and Salary Jobs by Subregion
1979-1990
(Thousands)

	1979	1984	1990	% Growth 1979-84	 1984-1990
Oakland MSA	681.7	738.9	909.7	8.4%	23.0%
San Francisco MSA	847.6	906.4	978.2	6.9%	7.9%
San Jose MSA	644.0	783.2	831.5	21.6%	6.2%
Santa Rosa MSA	93.8	113.1	149.4	20.6%	32.1%
Vallejo-Napa MSA	103.1	113.9	146.0	10.5%	28.2%
San Francisco Bay Area	2,370.2	2,655.5	3,014.8	12.0%	13.5%

Source: EDD

From: California Economic Growth, 1991 Edition
Center for Continuing Study of the California Economy

Exhibit 2

Decentralization of Employment in the Bay Area Economy
1972-1989

County	Employment Share 1972	 1981	 1989
Alameda	23.1%	19.7%	19.7%
Contra Costa	7.8%	8.0%	9.7%
Marin	2.7%	3.0%	3.1%
Napa	1.3%	1.4%	1.5%
San Francisco	25.1%	22.6%	19.4%
San Mateo	10.7%	10.3%	10.0%
Santa Clara	22.9%	28.0%	28.5%
Solano	2.9%	2.9%	3.5%
Sonoma	3.4%	4.1%	4.6%

Source: *Wage and Salary Employment Data*, California Employment Development Department.

From: San Francisco Bay Area Economy: 1990 and 1991
Special Report of the Association for Bay Area Governments

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CALENDAR - Recommendations

RECESSED MEETING OF

FINANCE COMMITTEE

BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS
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FRIDAY, JANUARY 24, 1992 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: BARBARA STAVRO-TAYLOR

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

1. File 170-92-1. [General Obligation Bonds] Resolution determining and declaring the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvement, to wit: construction and reconstruction of correctional facilities, that the estimated cost of $51,200,000 for said municipal improvement is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Migden)
(Cont'd from 1/22/92)

ACTION: RECOMMENDED "DO NOT PASS". TO BOARD AS COMMITTEE REPORT 1/27/92.

File 170-92-1.1. RESOLUTION PREPARED IN/REPORTED OUT OF COMMITTEE, "[General Obligation Bonds] Resolution determining and declaring the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvement, to wit: construction and reconstruction of correctional facilities, including health and safety improvements to the existing Hall of Justice, a residential center for women, improvements to the San Bruno Jail, that the estimated cost of $10,500,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness." RECOMMENDED. (Supervisor Shelley dissenting.) TO BOARD AS COMMITTEE REPORT 1/27/92.

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CALENDAR -ACTION TAKEN

FEB 3 - 1992

MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 29, 1992 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: BARBARA STAVRO-TAYLOR

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

   a. File 38-92-1. [Acceptance of Gift] Resolution authorizing the Department of Social Services to accept a gift valued at $11,288 from A. O. Smith Water Products Company of two water boilers for use at the Homeless Multiservice Center at 1001 Polk Street. (Department of Social Services)

   b. File 38-92-2. [Gift - Private Donor] Resolution authorizing the Department of Public Health, Laguna Honda Hospital & Rehabilitation Center, to accept and expend a gift valued at $15,310 from the estate of Earl Ulsh for rehabilitation assessment and training; providing for ratification of action previously taken. (Department of Public Health)

   c. File 64-92-1. [Assignment of Lease of Real Property] Resolution authorizing assignment of lease of real property at 1390 Market Street, Suite 1010, San Francisco for the City Attorney's Office. RO #91138 (Real Estate Department)

ACTION: Item 1c severed. Remainder Recommended.

File 64-92-1 Hearing held. Continued to Call of the Chair.

REGULAR CALENDAR

2. File 255-91-1. [Mission Bay Port Agreement] Ordinance authorizing the licensing of and the granting of options to license City-owned real property pursuant to the Mission Bay Port Agreement to license and to option. (Supervisor Gonzalez)

   ACTION: RECOMMENDED.

3. File 255-91-2. [Mission Bay Port Land Transfer Agreement] Ordinance authorizing transfer of City-owned real property and acquisition of certain real property pursuant to the Mission Bay Port Land Transfer Agreement. (Supervisor Gonzalez)

   ACTION: AMENDMENT OF THE WHOLE ADOPTED. RECOMMENDED AS AMENDED.

4. File 255-91-3. [Mission Bay City Land Transfer Agreement] Ordinance authorizing transfer of City-owned real property and acquisition of certain real property pursuant to the Mission Bay City Land Transfer Agreement. (Supervisor Gonzalez)

   ACTION: AMENDMENT OF THE WHOLE ADOPTED. RECOMMENDED AS AMENDED.

5. File 255-91-4. [Mission Bay Port Agreement] Resolution finding that the licensing and the granting of options to license surplus City-owned property pursuant to the Mission Bay Port Agreement to license and to option (to be entered into by the City and Catellus Development Corporation in furtherance of subsection 14.1(a) of the Development Agreement adopted and approved by Ordinance No. 60-91) are part of the Mission Bay Project for purposes of compliance with the California Environmental Quality Act and readopting the Mission Bay findings. (Supervisor Gonzalez)

   ACTION: AMENDMENT OF THE WHOLE ADOPTED. RECOMMENDED AS AMENDED.

6. File 255-91-5. [Mission Bay City Land Transfer Agreement] Resolution finding that certain proposed transfers of land in accordance with the City Land Transfer Agreement (to be entered into by the City and Catellus Development Corporation in furtherance of subsection 14.1(a) of the Development Agreement adopted and approved by Ordinance No. 60-91) are part of the Mission Bay Project for purposes of compliance with the California Environmental Quality Act and readopting the Mission Bay findings. (Supervisor Gonzalez)

   ACTION: AMENDMENT OF THE WHOLE ADOPTED. RECOMMENDED AS AMENDED.

7. File 255-91-6. [Mission Bay Port Land Transfer Agreement] Resolution finding that certain proposed transfers of land in accordance with the Port Land Transfer Agreement (to be entered into by the City and Catellus Development Corporation in furtherance of Subsection 14.1(a) of the Development Agreement adopted and approved by Ordinance No. 60-91) are part of the Mission Bay Project for purposes of compliance with the California Environmental Quality Act and readopting the Mission Bay findings. (Supervisor Gonzalez)

   ACTION: AMENDMENT OF THE WHOLE ADOPTED. RECOMMENDED AS AMENDED.

8. File 255-91-7. [Mission Bay Community Facilities District] Resolution authorizing and approving actions to establish a Community Facilities District. (Supervisor Gonzalez)

   ACTION: AMENDMENT OF THE WHOLE ADOPTED. AMENDED. "Resolution relating to future actions to establish Community Facilities District." RECOMMENDED AS AMENDED.

9. File 255-91-8. [Mission Bay City/Port Land Transfer Agreement] Resolution finding and determining that certain proposed transfers of land are authorized by and consistent with the provisions of Chapter 1143 of the Statutes of 1991, Chapter 310 of the Statutes of 1987, and Chapter 1333 of the Statutes of 1968. (Supervisor Gonzalez)

   ACTION: RECOMMENDED.

10. File 255-91-9. [Mission Bay Transportation Projects Agreement] Resolution approving the Transportation Projects Agreement and authorizing the acceptance of donations and dedications of real property pursuant thereto and making findings in accordance with the California Environmental Quality Act. (Supervisor Gonzalez)

    ACTION: RECOMMENDED.

11. File 62-91-1.1. [Music Festival Lease Amendment] Ordinance approving amendments to the Camp Mather Music Festival Lease between the Recreation and Park Commission of the City and County of San Francisco and Charles Cran, dba, Strawberry Music, Inc., for switching the Mid-September event to Labor Day weekend at Camp Mather, located at Tuolumne County, California. (Recreation and Park Department)

    ACTION: RECOMMENDED.

12. File 97-91-48. [Tow Reimbursement and Disputed Claims for Towed Vehicles] Ordinance amending Administrative Code by amending Sections 10C.1, 10C.4, 10C.5, 10C.6, 10C.7, 10C.8 and 10C.12 thereof, authorizing the Department of Parking and Traffic to pay reimbursement for towing and storage of vehicles; authorizing a person designated by the Chief of Police and the Director of the Department of Parking and Traffic to pay reimbursements not to exceed the amount authorized by payment of claims in Section 10.21 of the Administrative Code; and adding Sections 10.151-1 and 10.169-2 thereto, creating cash revolving funds for payment of towing and storage reimbursements. (Police Commission)

    ACTION: AMENDED. RECOMMENDED AS AMENDED. (Reduce revolving funds for Parking & Traffic - $26,250; Police Department - $48,750)

13. File 101-91-43. [Government Funding] Ordinance appropriating $35,000, Department of Parking and Traffic, to increase revolving fund and rescinding $35,000 from claims and judgment. RO #91137. (Controller)

    ACTION: AMENDED. "Appropriating $26,250 Department of Parking and Traffic, to increase revolving fund and rescinding $26,250 from claims and judgment." RECOMMENDED AS AMENDED.

14. File 101-91-44. [Government Funding] Ordinance appropriating $65,000, Police Department, to increase revolving fund and rescinding $65,000 from judgments and claims. RO #91139. (Controller)

    ACTION: AMENDED. "Appropriating $48,750 Police Department, to increase revolving fund and rescinding $48,750 from judgments and claims. RECOMMENDED AS AMENDED.

15. File 101-91-40. [Government Funding] Ordinance appropriating $17,501,272, Airports Commission, for various capital improvement projects. RO #91134. (Controller)

    ACTION: AMENDED. (Add to title: "placing reserve on $9,692,875") RECOMMENDED AS AMENDED.

16. File 101-91-45. [Government Funding] Ordinance appropriating $44,000, Department of Social Services, for other contractual services. RO #91140. (Controller)

    ACTION: RECOMMENDED.

17. File 153-92-1. [SSI Grant] Resolution authorizing the Department of Social Services to apply for a grant in the amount of $217,925 from Social Security Administration. (Department of Social Services)

    ACTION: AMENDED. "Authorizing the Department of Social Services to apply retroactively for a grant in the amount of $217,925 from Social Security Administration, which includes indirect costs in the amount of $10,377, or 5 percent of total grant." RECOMMENDED AS AMENDED.

18. File 148-92-1. [Grant - State Funds] Resolution authorizing the Department of Public Works to apply for, accept and expend, grant funding in the amount of $500,000 from the State of California Resources Agency for providing additional environmental enhancement improvements and allowable indirect costs in the Embarcadero Surface Roadway Project. (Supervisor Gonzalez on behalf of the Chief Administrative Officer)

    ACTION: AMENDED. RECOMMENDED AS AMENDED. (See file for details.)

19. File 12-91-49. [Small Claims Filings - Pilot Study] Resolution approving the participation of the City and County of San Francisco in a pilot project authorized by AB 1755 of 1991 to determine the efficacy of use by public entities of the Small Claims Courts for actions on claims exceeding two thousand five hundred dollars ($2,500). (Supervisor Shelley)

    ACTION: RECOMMENDED.

20. File 68-92-1. [Federal Grant - Substance Abuse Prevention] Resolution amending Resolution No. 931-91, authorizing the Mayor to accept and expend an additional $700,000 for the "Community Partnership Program" by authorizing the Mayor to accept and expend, retroactive to January 1, 1992, an additional $524,997, for a total of $1,224,997, with $28,809 to be provided for indirect costs. (Supervisor Shelley)

ACTION: CONTINUED TO FEBRUARY 5, 1992 (at request of Mayor's Office of Public Safety)

21. File 68-92-2. [Federal Funding - Emergency Shelter Grants Program] Resolution approving the 1992 Emergency Shelter Grants Program and Expenditure Schedule and authorizing the Mayor on behalf of the City and County of San Francisco to apply for, accept and expend a $422,000 entitlement under the Emergency Shelter Grants Program from the U.S. Department of Housing and Urban Development and acknowledging that indirect costs have been allocated in the 1992 Community Development Block Grant Program to cover this program. (Mayor)

ACTION: RECOMMENDED.

22. File 97-91-43. [Prevailing Wages/Leases] Ordinance amending Administrative Code by adding Section 6.36A thereto, extending prevailing wage requirements to certain construction projects on privately owned property leased by the City and County, as tenant. (Supervisor Hallinan)

ACTION: HEARING HELD. CONTINUED TO FEBRURY 12, 1992.

23. File 172-92-2. [Western System Power Pool Agreement] Ordinance authorizing execution of the Western Systems Power Pool Agreement for short term economy energy transaction; waiving requirement of Section 12I.5(b) of the San Francisco Administrative Code that every contract shall contain a statement urging companies not to use Tropical Hardwood products; and waiving requirement of Section 12F.5 of the San Francisco Administrative Code that every contract shall contain a statement encouraging companies doing business in Northern Ireland to abide by the MacBride Principles. (Public Utilities Commission.

ACTION: RECOMMENDED.

24. File 114-91-10. [R-3, Including One and Two Family, Rental Unit License Fee] Ordinance amending the Building Code by amending Section 333.1, and amending the Housing Code by amending Section 302 to establish a fee to defray the costs of the Bureau of Building Inspection tó inspect code violation complaints for R-3 occupancies including one and two family rental units. (Department of Public Works)
(Cont'd from 12/11/91)

ACTION: AMENDED. (clerical correction) CONTINUED TO CALL OF THE CHAIR.

25. File 114-91-11. [B.B.I. Fee Schedule] Ordinance amending Building Code by amending Section 333.3 relating to the fee for energy reports and certificates. (Department of Public Works)
(Cont'd from 12/11/91)

ACTION: CONTINUED TO FEBRUARY 12, 1992.

26. File 97-92-1. [Grant Recipient Obligations] Ordinance amending Chapter 10 of the San Francisco Administrative Code by adding Section 10.170-6 thereto to require that in order to receive a grant from the City and County of San Francisco the recipient must not owe any taxes, fees or fines to the City and County. (Supervisor Gonzalez)
(Cont'd from 1/22/92)

ACTION: AMENDED. RECOMMENDED AS AMENDED. (See file for details.)

27. File 97-92-2. [Transfer of Sick Leave and Vacation Benefits] Ordinance amending Chapter 16, Article I of the San Francisco Administrative Code by amending Section 16.9-29(b) thereof, relating to transfer of sick leave and vacation benefits to catastrophically ill employees, by suspending, for employees retiring pursuant to Charter Section 8.517-2, the requirements that donors be allowed to transfer only once per pay period per recipient and the maximum numbers of hours that can be transferred in any pay period or year. (Supervisors Shelley, Achtenberg)
(Cont'd from 1/22/92)

ACTION: AMENDED. RECOMMENDED AS AMENDED. (Amend title to read Section 16.9-29(e).)

28. File 97-92-3. [Transfer of Sick Leave and Vacation Benefits] Ordinance amending Chapter 16, Article I of the San Francisco Administrative Code by amending Section 16.9-29(b) thereof, relating to transfer of sick leave and vacation benefits to catastrophically ill employees, by suspending, for employees retiring pursuant to Charter Section 8.517-2, the requirements that donors retain a minimum of 64 hours of sick leave and the maximum numbers that can be transferred in a pay period or year. (Supervisors Achtenberg, Shelley)
(Cont'd from 1/22/92)

ACTION: AMENDED. RECOMMENDED AS AMENDED. (Amend title to read Section 16.9-29(e).)

29. File 101-91-41. [Government Funding] Ordinance appropriating $86,169, Mayor's Office, for other contractual services, providing for ratification of action previously taken. RO #91136 (Controller)
(Cont'd from 1/22/92)

ACTION: RECOMMENDED.

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Public Library, Documents Dept.
ATTN: Gerry Roth

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 27, 1992

TO: Finance Committee

FROM: Budget Analyst - Recommendations

SUBJECT: January 29, 1992 Finance Committee Meeting

DOCUMENTS DEPT.

JAN 29 1992

SAN FRANCISCO
PUBLIC LIBRARY

Item 1a - File 38-92-1

Department:	Department of Social Services
Item:	Resolution accepting a gift of two water boilers for use at the Homeless Multiservice Center located at 1001 Polk Street.
Amount:	Equipment valued at $11,288.
Source of Gift:	A. O. Smith Water Products Company
Description:	The Department of Social Services (DSS) reports that the A. O. Smith Water Products Company has offered to donate two HWO-670 outdoor, roof-mounted water boilers for installation at the Homeless Multiservice Center at 1001 Polk Street. The building is currently undergoing major renovations to convert it from commercial to residential use.

Comments:

1. Mr. Jim Buick, Director of the Multiservice Centers for DSS, reports that renovations to the facility at 1001 Polk Street are expected to be completed by February 15, 1992 and that the Multiservice Center is scheduled to open at that time. The change from commercial to residential use requires a much greater water heating capacity.

2. According to Mr. Buick, the A. O. Smith Water Products Company offered several months ago to provide two HWO-670 water boilers, a new prototype, for use by the Multiservice Center. The roof-mounted water boilers were incorporated into the renovation plan for the facility based on this offer. The letter of Julia Lopez, General Manager of DSS, to the Clerk of the Board indicates that the installation will be part

of the company's "on-going field test program" for this equipment. Mr. Buick explains that the company has field-tested this equipment in several other locations, and that the company has agreed in writing to replace the equipment with standard water boilers having the same function and capacity, should the HWO-670 water boilers fail to perform properly. The commitment to replace the boilers includes installation costs, according to Mr. Buick.

3. Ms. Judy Schutzman of DSS indicates that the equipment is "not experimental," but is a new model of equipment which has been available for approximately 10 years.

4. Ms. Schutzman indicates that most water boilers ordinarily require very little maintenance over an average life of 15-20 years. She indicates that the manufacturer has agreed to provide any required repairs without charge for one year, in keeping with its standard warranty. She indicates further that the subcontractor who is installing the water boilers has agreed to provide any necessary repairs and maintenance at no charge after the 1 year warranty expires, as a public service to the Multiservice Center and the City's homeless.

5. Ms. Schutzman indicates that the water boilers will not impose any extraordinary utility expenses on the City because the cost of operating the roof-mounted HWO-670 water boilers is comparable to standard water boiler equipment.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 1b - File 38-92-2

Department: Department of Public Health, Laguna Honda Hospital

Item: Resolution authorizing Laguna Honda Hospital to accept and expend a gift of equipment valued at $15,310 for rehabilitation and training, and ratifying action previously taken.

Amount: Equipment valued at $15,310

Source of Gift: Estate of Earl Ulsh

Description: The Department of Public Health seeks approval of the Board of Supervisors to accept and expend a gift of rehabilitation equipment from the Estate of Earl Ulsh to the Laguna Honda Hospital and Rehabilitation Center (LHH), valued at $15,310.

The gift consists of the following items, with LHH estimates of their value also shown:

Item	Estimated Value
Power wheelchair with power reclining back	$11,000
Standard power wheelchair	3,000
Hoyer tub lift	800
Jay gel seat cushion	360
Tub transfer bench	150
Total estimated value	$15,310

The gift has already been received by the Hospital and the items are currently in storage.

Comments: 1. Dr. Jonathan Goldman, Assistant to the Executive Administrator of Laguna Honda Hospital, indicates that this equipment has been examined by the Director of Nursing for Laguna Honda Hospital and Rehabilitation Center to assess whether it is in satisfactory condition and can be of practical use at the facility.

Dr Goldman indicates that the power wheelchair valued at $3,000 will require no more than $500 in materials and approximately $100 for in-house labor costs to restore the item before it can be used, and advises that these costs will be paid using existing budgeted funds. All the other items are in excellent condition, and all the items will have important uses at the facility, according to Dr. Goldman.

2. Estimates of the value of the items comprising the gift were obtained by contacting a medical supply company to

obtain prices for similar or identical equipment, according to Dr. Goldman. The prices were obtained for new equipment.

Dr. Goldman reports that the power wheelchair with reclining back valued at $11,000 is "brand new," the standard power wheelchair valued at $3,000 is about one year old, and the remaining equipment is less than one year old.

3. Dr. Goldman indicates that the estimated value of $3,000 for the power wheelchair does not include the $600 estimated maximum cost of the repairs needed to restore the wheelchair to working condition.

Restoration of the wheelchair is estimated to cost not more than $500, for a new leather seat and related parts. The labor cost to install the seat will be $100 or less, according to Dr. Goldman, because it is expected to be installed in two hours or less by an engineer on the staff of Laguna Honda Hospital who maintains and repairs the facility's rehabilitation equipment.

4. The equipment will be used by a number of different patients at LHH, according to Dr. Goldman. Individual patients will on average work with the equipment for 1-2 weeks. During that time, Laguna Honda Hospital staff will assess the patient's ability to use the equipment and will evaluate the benefits which the patient can derive. Dr. Goldman explains that the gift of the wheelchairs for assessment and training will be particularly beneficial to the patients at Laguna Honda Hospital, due to the number of patients whose skills can be evaluated on such equipment.

5. According to Dr. Goldman, maintenance costs for the new equipment will be negligible, since the equipment is in excellent working condition, except the new seat needed for the standard power wheelchair. Maintenance and repairs for the equipment will be performed by the in-house maintenance department which conducts all maintenance of equipment at the Rehabilitation Center.

6. "San Francisco" is misspelled on line 12 of the proposed resolution.

Recommendation: Amend the proposed resolution by correcting the spelling of "San Francisco" on line 12.

Approve the amended resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
January 29, 1992

Item 1c - File 64-92-1

Department: City Attorney
Real Estate

Item: Resolution authorizing the assignment of a lease of real property

Location: 1390 Market Street (Fox Plaza), Suite 1010

Purpose of Lease: The child care center on the mezzanine of Fox Plaza is being expanded. During the construction, four Deputy City Attorneys, one law student, and three employees of the Bureau of Building Inspection would be temporarily displaced. The proposed temporary lease would provide space for those eight individuals.

Assignor: Liebert, Cassidy and Frierson, a Professional Corporation

Number of Sq.Ft., and Cost/Month: Approximately 1,979 sq.ft. @ \$1.42/sq.ft. = \$2,804/month

Total Cost: The total estimated cost of the proposed lease, from March 1, 1992 to June 30, 1992 (four months) would be \$11,216. On an annual basis, the cost of this lease is \$33,648.

Utilities and Janitor Provided by Lessor: All but electricity

Source of Funds: General Fund

Term of Lease: The lease would commence after approval by the Board of Supervisors, signature of the Mayor, and execution of the lease by the Real Estate Department, and could end June 30, 1992. If funds are appropriated for rental payments for the 1992-93 fiscal year, the term would expire January 22, 1993. The Budget Analyst estimates that the lease could be executed no earlier than late February.

Comments: 1. Liebert, Cassidy and Frierson holds a lease with Calfox, Incorporated, for 1390 Market Street, Suite 1010, that would be assigned to the City if the proposed resolution is approved. Mr. Phil Aissen of the Real Estate Department advises that a lease assignment differs from a sublease in that the City would assume all responsibility for the lease, and the original lessor relinquishes responsibility for the lease. The term of the lease that would be assigned to the City would end January 22, 1993 unless the City notifies the lessor, in writing, of its intention to terminate the lease at an earlier date. The lease could be terminated either 90 days from the date such written notice is posted, or the last day of the fiscal year in which written notice is posted. Thus, the lease would not automatically terminate June 30, 1992, but would only terminate pursuant to action on the part of the City.

2. The proposed lease, at 1,979 square feet, would provide approximately 247 square feet of space for each of the eight individuals who would occupy that space. It should be noted that one of those eight individuals is a law student, who would work on an occasional basis, and three of those employees are Bureau of Building Inspection staff. In general, the Real Estate Department uses 200 square feet per full-time employee as a standard of sufficient space. According to Calfox, Incorporated, approximately five to six alternative spaces are vacant at Fox Plaza, ranging from 910 square feet to 1,375 square feet as of December 1991, and spaces might be available on a shorter term basis.

3. According to Mr. King, the construction for the expanded child care center is estimated to be completed in three and one half to six weeks, at which point, all of the displaced employees could return to their offices. Mr. King advises that Liebert, Cassidy and Frierson may not be willing to lease the space for less than four months.

4. The City Attorney's Office 1991-92 budget includes 181 permanent authorized employees, and salary savings equivalent to 14.1 FTEs were budgeted. In 1990-91, 185 employees were budgeted, with salary savings equivalent to 14.2 FTEs. Although the City Attorney's Office reports that all available space is filled, given that the equivalent of 14.1 positions are anticipated to be unfilled in 1991-92, we believe that it would not be unreasonable to use existing space in the City Attorney's Office for the anticipated need for this space of three and one half weeks to six weeks for the four City Attorney employees and the law student. Also, space, which could be occupied temporarily by the displaced individuals, is vacated by employees who are temporarily absent due to vacation, illness, or parental or other leave. If adequate space is not available in the City Attorney's Office, the three Bureau of Building Inspection employees could occupy Bureau of Building Inspection space on a temporary basis.

5. Ms. Martie Moore of the City Attorney's Office advises that reimbursements to the City Attorney's Office for space occupied by Bureau of Building Inspection personnel were not included in the City Attorney's fiscal year 1991-92 budget. Therefore, Ms. Moore advises that the City

Attorney's Office would not need a supplemental appropriation to support the proposed lease. Mr. John Madden advises that the City Attorney's expenses are anticipated to be approximately $1.6 million over budget. If the proposed legislation is not approved, Mr. Madden advises, such reimbursements would offset that shortfall.

6. According to the Real Estate Department, the proposed monthly rental rate of $2,804 for 1,979 square feet at $1.42 per square foot represents the current fair market rental for the proposed space.

7. Given (a) that the proposed lease would include at least four months, and would automatically continue an additional seven months unless the lease is actively terminated, when it is anticipated that only three and a half to six weeks are needed, (b) that the proposed space per employee is larger than Department of Real Estate standards, and (c) that it would not be unreasonable for the eight individuals to use existing space leased or owned by the City for three and a half to six weeks, and (d) the Controller anticipates that the City Attorney will experience a $1.6 million shortfall in 1991-92, the proposed lease should be disapproved.

Recommendation: Based on the term of the proposed lease, the fact that the amount of space per employee is larger than Department of Real Estate standards, because it would not be unreasonable to use existing City-owned or leased space for three and a half to six weeks and because the Controller anticipates that the City Attorney will experience a $1.6 million shortfall in 1991-92, disapprove the proposed resolution.

Items 2, 3, 5 and 7 - Files 255-91-1, 255-91-2, 255-91-4 and 255-91-6

Department: Department of City Planning
Port of San Francisco
Real Estate

Items: Ordinance (File 255-91-1) authorizing the licensing of and the granting of options to license City-owned real property pursuant to the Mission Bay Port Agreement to license and to option.

Ordinance (File 255-91-2) authorizing transfer of City-owned real property and acquisition of certain real property pursuant to the Mission Bay Port Land Transfer Agreement.

Resolution (File 255-91-4) finding that the licensing and the granting of options to license surplus City-owned property pursuant to the Mission Bay Port Agreement to license and to option are part of the Mission Bay Project for purposes of compliance with the California Environmental Quality Act (CEQA) and readopting the Mission Bay findings.

Resolution (File 255-91-6) finding that certain proposed transfers of land in accordance with the Port Land Transfer Agreement are part of the Mission Bay Project for purposes of compliance with the California Environmental Quality Act (CEQA) and readopting the Mission Bay findings.

Description: The Board of Supervisors previously amended the San Francisco Administrative Code (Ordinance No. 372-88) on August 10, 1988 by adding Chapter 56 to permit execution of development agreements between the City and developers for large multi-phase development projects such as the Mission Bay proposal. The Board of Supervisors subsequently approved the Development Agreement between the City and Catellus Development Corporation, and other related items including the proposed Master Plan amendments on February 19, 1991.

In order to develop the Mission Bay project area pursuant to the Development Agreement, the Development Agreement contemplates that, as part of its implementation, a consolidation of both public and private parcel ownerships would take place, and therefore contemplates that the City and Catellus would transfer certain parcels of land within the Mission Bay Property. The Mission Bay Property consists of a 315 acre parcel of former railroad and shipping yards, and would be developed with commercial office space, retail space, approximately 8,500 housing units, of which approximately 3,250 would be affordable housing, and public facilities including a fire station, police station and recreation and cultural center.

The proposed Port Land Transfer Agreement (File 255-91-2) would establish the terms and conditions under which the Port would transfer approximately 15 acres of property to Catellus in exchange for approximately 39.3 acres of property, consisting of 26.3 acres located adjacent to Pier 80, known as the Western Pacific property, and 13 acres of vacated public street easements also located within the Western Pacific property. The Port transfer parcels are several inland parcels lying between Third Street and China Basin Street. The Western Pacific property is an abandoned railyard.

The proposed ordinance (File 255-91-1) would authorize and establish the conditions under which the Port would agree to license and grant options to license to Catellus for approximately 22.6 acres of additional property. These lands would remain under Port ownership but be developed by Catellus under 30-year license agreements as wetlands and open space.

The proposed resolutions (Files 255-91-4 and 255-91-6) would make findings pursuant to California Environmental Quality Act (CEQA) compliance. Specifically, these resolutions would find that the proposed Port Land Transfer Agreement (File 255-91-6) and the proposed granting of options to license surplus City-owned property (File 255-91-4) are in compliance with the California Environmental Quality Act (CEQA) and readopting the Mission Bay findings.

Comments:

1. The Real Estate Department reports that the 39.3 acres acres of property which the Port will receive from Catellus, and which would add about a third more land for container storage to Pier 80, is valued at between $20.8 million and $28.2 million, and the 15 acres of Port land which would be transferred to Catellus is valued at approximately $26.6 million. Mr. Larry Ritter of the Real Estate Department reports that Catellus has an existing below market rate leasehold with the Port which under the proposed Port Land Transfer Agreement (File 255-91-2), Catellus would terminate and enter into a new lease for the development of open space. The early termination of the below market lease would result in additional benefits to the Port valued at $6.2 million.The Real Estate Department reports that the Port will receive value which consists of the following:

Western Pacific Property (39.3 acres)	$20.8 million to $28.2 million
Value of surrendered Catellus leasehold	6.2 million
Total value of Catellus property	$27 million to $34.4 million

Therefore, under the proposed Port land transfer agreement (File 255-91-2) the City would receive a greater value of land of approximately $0.4 million to $7.8 million ($27 million to $34.4 million less $26.6 million).

2. Mr. Ritter reports that pursuant to the development agreement, the 15 acres of Port land which would be transferred to Catellus would be used for market rate and affordable residential units. In addition, Mr. Ritter reports that the approximate 39.3 acres of land which the Port would receive from Catellus would be used for container storage, and the up to 22.6 acres of licensed property would be used as open space and wetlands pursuant to the development agreement.

3. Under the proposed license and option agreement (File 255-91-1) for the approximate 22.6 acres of City property, Catellus would be obligated to enter into a license agreement for approximately 10.8 acres, which would be developed as wetlands. The remaining approximately 11.8 acres would be subject to two options which Catellus may exercise during the 12 years following the effective date of the development agreement, which is March 30, 1991. The proposed license for the wetland site (File 255-91-1) would last for 30 years and would begin no later than March 30, 1993. Under the proposed license agreement (File 255-91-1), the Port would receive an annual license fee from Catellus of $968,367 for the approximate 10.8 acres which would be subject to the license agreement. If the option is exercised, Catellus would lease up to a total of 22.6 acres of property from the Port. Under the proposed license and option agreement (File 255-91-1), these options can only be exercised twice, and must be exercised during the first 12 years after the effective date of the development agreement or before March 30, 2003, and can be exercised for any portion of the 11.8 remaining acres of property. In addition, this annual license fee payable by Catellus to the Port, would be escalated for cost of living adjustments as follows:

License Year	Annual License Fee* 10.8 Acres	Annual License Fee* 22.6 Acres
1-4	$ 968,367	$1,940,045
5-9	1,123,306	2,250,452
10-14	1,316,979	2,638,461
15-19	1,510,653	3,026,470
20-24	1,665,591	3,336,877
25-29	1,810,846	3,627,884
30	1,956,101	3,918,891

*These rates are included as part of the Development Agreement, previously approved by the Board of Supervisors (Ordinance 60-91).

5. As noted above, the Port would receive a maximum of $1,940,045 in license fees for all 22.6 acres of property (License Years 1-4), and would be escalated every five years at the same rate as used above, which is four percent per year for the first fifteen years, and three percent per year for the remaining fifteen years. The annual fee payable under any applicable license will be based on the acreages involved and will be a pro-rated share of the total maximum annual fee of $1,940,045. Mr. Jack Pizza of the City Attorney's Office indicates that under the proposed license and option agreement (File 255-91-1) Catellus would be restricted to develop the 22.6 acres of property as open space or wetlands.

6. As previously noted, under the terms of the Port Land Transfer Agreement (File 255-91-2), Catellus would transfer to the Port 39.3 acres of land, including the streets, known as the Western Pacific property to the Port. In the event that these lands are not transferred on a timely basis (e.g. Catellus cannot clear title on the subject parcels), Catellus would lease the Western Pacific property to the Port for $1.00 per year for seven years. This lease would allow the Port to take possession of the Western Pacific property prior to the closing on the Port Land Transfer Agreement (File 255-91-2). The Port reports that it is anticipated that this lease would commence on April 1, 1992.

7. Under the proposed Port Land Transfer Agreement (File 255-91-2), Catellus would undertake a hazardous materials investigation and remediation of the 15 acres of Port property which it receives, and also upon the Western Pacific property which it transfers. Catellus would also undertake a hazardous materials investigation and remediation of the licensed property (File 255-91-1).

8. As noted, the proposed ordinances and resolutions (Files 255-91-1, 255-91-2, 255-91-4 and 255-91-6) would provide for part of the implementation of the Development Agreement. Given that the Board of Supervisors has previously established its policy by approving the Development Agreement, the Budget Analyst recommends to approve the proposed ordinances and resolutions (Files 255-91-1, 255-91-2, 255-91-4 and 255-91-6)

Recommendation: Approve the proposed ordinances (Files 255-91-1 and 255-91-2) and the proposed resolutions (Files 255-91-4 and 255-91-6).

BOARD OF SUPERVISORS
BUDGET ANALYST

Items 4 and 6 - File 255-91-3 and 255-91-5

Department: Department of City Planning
Real Estate

Items: Ordinance (File 255-91-3) authorizing the transfer of City-owned real property and acquisition of certain real property pursuant to the Mission Bay City Land Transfer Agreement.

Resolution (File 255-91-5) finding that certain proposed transfers of land in accordance with the City Land Transfer Agreement are part of the Mission Bay Project for purposes of compliance with the California Environmental Quality Act and readopting findings.

Description: The Board of Supervisors previously amended the San Francisco Administrative Code (Ordinance No. 372-88) on August 10, 1988 by adding Chapter 56 to permit execution of development agreements between the City and developers for large multi-phase development projects such as the Mission Bay proposal. The Board of Supervisors subsequently approved the Development Agreement between the City and Catellus Development Corporation, and other related items including the proposed Master Plan amendments on February 19, 1991.

The Development Agreement provides for, as part of its implementation, consolidation of both public and private parcel ownerships, and therefore contemplates that the City and Catellus would transfer certain parcels of land within the Mission Bay Property. The Mission Bay Property consists of a 315 acre parcel of former railroad and shipping yards, and would be developed with commercial office, retail, approximately 8,500 housing units, of which approximately 3,250 would be affordable housing, and public facilities including a fire station, police station and recreation and cultural center.

The proposed ordinance (File 255-91-3) would authorize the Mayor and Director of Real Property to execute a City Land Transfer Agreement. The City Land Transfer Agreement provides that the City would transfer approximately 35 acres of property to Catellus. These 35 acres are various land strips of streets either which have been vacated, or will be vacated in order to continue with the Mission Bay development. Approximately 11 acres of the 35 acres which the City would transfer under the proposed ordinance (File 255-91-3) would be dedicated back to the City in the form of new parks and streets. In exchange for the 35 acres given up by the City, Catellus would provide the City with 26 acres to be used for affordable housing, and an additional 10 acres for use as public facilities space in the area of 7th Street and Townsend Street. The contemplated Mission Bay project anticipates that Caltrain tracks would be removed between 7th Street and Channel Street to between 4th Street and Townsend Street.

The proposed resolution (File 255-91-5) would find that this proposed transfer of property is in compliance with the California Environmental Quality Act and readopt the Mission Bay findings. The proposed resolution (File 255-91-5) would find that the land transfers provided for in the City Land Transfer Agreement (File 255-91-3) will not require revisions to the Final Environmental Impact Report, and will not involve new significant environmental impacts, and therefore, the Board of Supervisors would readopt the previous Mission Bay Findings (Resolution No. 60-91 and modified by Resolution No. 139-91).

Comments:

1. The Real Estate Department has estimated that the fair market value of all of the Catellus property which would be part of the Mission Bay project, consisting of approximately 170 acres, and assuming the previous industrial zoning prior to the Development Agreement, and continued ownership configuration is approximately $116 million. As noted above, the total Mission Bay Property consists of 315 acres of property. The Real Estate Department also indicates that the value of the 315 acres of property within the Mission Bay project area (Catellus land and City-owned land) upon approval of the development agreement and the land transfer agreements is $183 million based on an independent appraisal report which was completed on May, 30, 1991. The difference of $67 million is the enhancement value as a result of the combination of the 35 acres of City-owned land, the Catellus property and the development agreement which provides the authority to develop the Mission Bay property. The Real Estate Department reports that this difference of $67 million should be allocated $36.18 million to Catellus for return on their land value, and $30.82 million to the City in consideration for its land contribution to the Mission Bay project.

2. As noted above, under the proposed City Land Transfer Agreement (File 255-91-3), approximately 35 acres of City-owned property would be transferred to Catellus, of which approximately 10 acres would be dedicated back to the City in the form of parks and streets. The Real Estate Department has estimated that the total benefits which would be provided by Catellus to the City in excess of what would normally be required under the City's Planning statutes related to

development projects, are approximately $75.81 million, including the following:

26 acres of affordable housing sites (estimated value in excess of Office of Affordable Housing Production Program (OAHPP) requirement)	$32.91 million
10 acres of Public Facilities Site	17.00 million
Construction of Cultural Center	4.50 million
Construction of Recreation Center	3.30 million
Affirmative Action/ Economic Development Program	7.10 million
Contribution for acquisition and rehabilitation of 250 residential hotel units	4.00 million
Deeper subsidy for 100 affordable housing units	7.00 million
Total projected benefits	$75.81 million

3. Therefore, based upon the Real Estate Department's analysis, although the City should expect to receive $30.82 million in benefits for consideration of the City's transfer of approximately 35 acres of property to Catellus, the City would be receiving benefits totalling approximately $75.81 million, which is $44.99 million in benefits in excess of the original $30.82 million in expected benefits for the City.

4. As noted above, under the Mission Bay Development Agreement, approximately 8,500 housing units would be developed, of which 3,250 would be affordable. Catellus will convey 26 acres for affordable housing to the City for an approximate 2,300 housing units (100 units to be subsidized by Catellus). This land has an estimated benefit to the City of approximately $32.91 million in excess of the Office of Affordable Housing Production Program (OAHPP) development requirement for 4.8 million square feet of office space.

5. The $17.00 million which is estimated for the 10 acres for a public facilities site is based upon the land value delivered free of Caltrain tracks and toxic wastes (See Comments #10 and #11). Mr. Larry Ritter of the Real Estate Department reports that although these approximate 10 acres are intended to be used as a public facilities site, such as a sports arena, the Board of Supervisors could decide in the future to use these acres for additional affordable housing.

6. The $4.50 million estimated value for the construction of a Cultural Center and the $3.30 million estimated value for the construction of a Recreation Center is based upon the

estimated construction costs for Catellus to develop these two facilities.

7. The $7.10 million estimated value for the Affirmative Action and Economic Development Program is the estimated net present value for Catellus' contribution to an Economic Development Fund, which would be used to encourage MBE/WBE/LBE participation in the Mission Bay project during construction and operations, generate employment opportunities for minorities, women and economically disadvantaged City residents and create a mechanism to ensure MBE/WBE/LBE development in the City. Catellus would provide $10 million over 20 years, and assuming a nine percent discount rate, the present value would be approximately $4.6 million. In addition, Catellus would provide $2.5 million during 1992 or 1993 for the implementation of the program, for a total present value of $7.10 million. The Economic Development Fund would be maintained by the Mayor's Office of Economic Development and Planning. Annual appropriations from this Fund would be subject to approval by the Board of Supervisors.

8. The $4.00 million estimated value is for the acquisition and rehabilitation of 250 residential hotel units outside of the Mission Bay project area to be used as additional affordable housing units. The target date for this contribution is FY 1992-93.

9. The $7.00 million in estimated value would result from Catellus' deeper subsidy of 100 affordable housing units, which would be part of the 2,550 units provided by the City on the approximate 26 acres of affordable housing sites. Under the original development agreement, these 100 units were to be subsidized by Catellus at 120 percent of median income, meaning that Catellus would subsidize the costs for those earning 120 percent of the median income (median income for a family of four in San Francisco as calculated by the U.S. Department of Housing and Urban Development was $45,600 as of March 5, 1990). Instead, Catellus will subsidize these 100 affordable housing units for those earning 45 percent of the median income. This deeper subsidy has an estimated value of $7.00 million.

10. As noted, the contemplated Mission Bay project anticipates that the Caltrain tracks would be removed between 7th Street and Channel Street to between 4th Street and Townsend Street. The City would transfer the 35 acres to Catellus up front, however, Catellus would transfer the 26 acres to the City contingent upon the rate of development of

office space within the Mission Bay project. The "worst case situation" would occur upon the following events:

1. The City has transferred the approximate 35 acres to Catellus;

2. The Mission Bay Development Agreement terminates without any of the project being developed as planned (e.g. Catellus defaults);

3. The Caltrain tracks are not removed.

Under these circumstances, the City Land Transfer Agreement (File 255-91-3) requires Catellus to convey to the City approximately 30 acres consisting of the public facilities site and land suitable for parks, open space and other uses. However, the Real Estate Department notes that the public facilities site, consisting of approximately 10 acres would have limited value until the Caltrain tracks are removed. In the event that the development agreement is terminated after the Caltrain tracks have been removed, the City Land Transfer Agreement (File 255-91-3) requires Catellus to convey a minimum of 16 acres for use as affordable housing, and 10 acres for use as public facilities space. Mr. Ritter reports that these requirements were part of the original Development Agreement, and are also included as part of the City Land Transfer Agreement (File 255-91-3).

11. Under the proposed ordinance (File 255-91-3), Catellus must accept the 35 acres of City property on an as-is basis, but perform hazardous materials investigations and any required remediation prior to delivering the land to the City.

12. As noted, the proposed ordinances and resolutions (Files 255-91-3 and 255-91-5) would provide for part of the implementation of the Development Agreement. Given that the Board of Supervisors has previously established its policy by approving the Development Agreement, the Budget Analyst recommends to approve the proposed ordinances and resolutions (Files 255-91-3 and 255-91-5).

Recommendation: Approve the proposed ordinance (File 255-91-3) and the proposed resolution (255-91-5).

Item 8 - File 255-91-7

Department: Department of City Planning
Port of San Francisco
Real Estate

Item: Resolution authorizing and approving actions to establish a Community Facilities District.

Description: The Board of Supervisors previously amended the San Francisco Administrative Code (Ordinance No. 372-88) on August 10, 1988 by adding Chapter 56 to permit execution of development agreements between the City and developers for large multi-phase development projects such as the Mission Bay proposal. The Board of Supervisors subsequently approved the Development Agreement between the City and Catellus Development Corporation, and other related items including the proposed Master Plan amendments on February 19, 1991. The Mission Bay Property consists of a 315 acre parcel of former railroad and shipping yards, and would be developed with commercial office, retail, housing units and community facilities including a fire and police station.

The Development Agreement outlined the principals for the formation of a Community Facilities District (CFD), however, the Development Agreement did not obligate the City to create a CFD. The proposed resolution would find that the Board of Supervisors intends to conduct proceedings for the establishment of a Community Facilities District (CFD) pursuant to the Mello-Roos Community Facilities Act of 1982. Under this Act, communities can use the property tax increments resulting from new development in the district to finance public improvements and public capital facilities. A CFD may finance a broad range of infrastructure and facilities including improvements which benefit property in a general way, such as parks, schools and community facilities, as well as those benefitting individual parcels, such as streets, water, sewer and drainage improvements. At the time of its formation, the CFD would have the authority to establish a maximum debt limit and special tax amount to fund all infrastructure and facilities required to serve the Mission Bay project area. The City, through the CFD, may be authorized to issue special tax-supported bonds which may be required to build infrastructure and facilities. Special taxes levied within the CFD would fund costs associated with issuing and retiring the special tax-supported bonded indebtedness, and CFD administration costs. However, details on issuance of the debt, collection and payments have not yet been determined.

Comments:

1. The Budget Analyst has been advised that an amendment to the proposed resolution would be introduced which would change the title to read a "resolution relating to future actions to establish a Community Facilities District." Therefore, the proposed resolution should be amended to change the title to a "resolution relating to future actions to establish a Community Facilities District."

2. The proposed resolution is being requested by Catellus, and is not being sponsored by any City Department. Mr. Ken Taymor of the City Attorney's Office reports that the substantive aspects for the implementation of the CFD have not yet been established. Mr. Taymor states that the proposed resolution would only find that the Board of Supervisors intends to continue to cooperate with Catellus in proceeding with the establishment of the CFD.

3. Mr. Taymor also indicates that prior to the implementation of the CFD, the Board of Supervisors will consider several other pieces of legislation including a resolution which would establish the formation and implementation of the CFD, including the establishment of special tax districts. The special tax rates which would be applied to the CFD would be set forth in an annual resolution subject to approval by the Board of Supervisors. The voter-approval method within the CFD has not yet been determined.

4. The CFD may encompass the entire Mission Bay project area. However, the individual parcels which would be subject to a special tax have not yet been specified.

5. Mr. Taymor reports that the CAO's Office has circulated a RFP for the tax consultant and financial advisor for the establishment of the CFD. Mr. Taymor also reports that the bond counsel for the Community Facilities District would be the joint venture of Brown & Wood/Pamela Jew. Pamela Jew is a City-certified MBE/WBE firm. Mr. Taymor indicates that the selection of these firms would not be subject to approval by the Board of Supervisors.

Recommendations:

1. Amend the title of the proposed resolution to read a "resolution relating to future actions to establish a Community Facilities District."

2. Approval of the proposed resolution is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 9 - File 255-91-8

Department: Department of City Planning
Port of San Francisco
Real Estate

Item: Resolution finding and determining that certain proposed transfers of land are authorized by and consistent with the provisions of Chapter 1143 of the Statutes of 1991, Chapter 310 of the Statutes of 1987, and Chapter 1333 of the Statues of 1968.

Description: The Board of Supervisors previously amended the San Francisco Administrative Code (Ordinance No. 372-88) on August 10, 1988 by adding Chapter 56 to permit execution of development agreements between the City and developers for large multi-phase development projects such as the Mission Bay proposal. The Board of Supervisors subsequently approved the Development Agreement between the City and Catellus Development Corporation, and other related items including the proposed Master Plan amendments on February 19, 1991. The Mission Bay Property consists of a 315 acre parcel of former railroad and shipping yards, and would be developed with commercial office, retail, housing units and community facilities including a fire and police station.

The Board is also considering three ordinances (Files 255-91-1, 255-91-2 and 255-91-3) and three resolutions (Files 255-91-4 255-91-5 and 255-91-6) which would have the effect of transferring land within the Mission Bay project, and finding that these transfers are in compliance with the California Environmental Quality Act (CEQA). The Development Agreement provides for, as part of its implementation, consolidation of both public and private parcel ownerships, and therefore contemplates that the City and Catellus would transfer certain parcels of land within the Mission Bay Property. The Port land transfer agreement (Item 3, File 255-91-2) would transfer approximately 15 acres of Port land located within the Mission Bay project area in exchange for approximately 39.3 acres of property adjacent to Pier 80, including vacated public street easements. The Port would also license 10.8 acres (Item 2, File 255-91-1) of property to Catellus for development as open space and wetlands, and Catellus may also exercise up to two options to license 11.8 acres. The City land transfer agreement (Item 4, File 255-91-3) would authorize the City to transfer approximately 35 acres in exchange for approximately 26 acres from Catellus for use as affordable housing, and 10 additional acres for use as a public facilities space.

The proposed resolution would find and determine that the Port and City land transfers to Catellus are authorized by and consistent with the provisions of Chapter 1142 of Statutes of 1991, Chapter 310 of Statutes of 1987 and Chapter 1333 of Statutes of 1968. This State law provides that the transfer of public trust lands into private ownership must be exchanged for lands of equal or greater value which are useful for trust purposes and satisfy certain conditions. Therefore, the proposed resolution (File 255-91-8) provides for part of the implementation of the Development Agreement. Mr. Jack Pizza of the City Attorney's Office reports that legitimate public trust purposes include using the land for commerce, navigation or fisheries.

The proposed resolution would find that the following conditions exist:

- Finding that the property being transferred has been filled-in land, and not submerged land, as part of the development of the harbor of Mission Bay;
- Finding that the property being transferred is no longer needed for public trust purposes, such as navigation or fisheries;
- Finding that the lands being acquired would further the public trust;
- Finding that the lands being acquired are of equal or greater value than the lands being transferred.

Comments:

1. As outlined in the proposed resolution, those lands which would be transferred to the City under both the Port land transfer agreement (Item 3, File 255-91-2) and the City land transfer agreement (Item 4, File 255-91-3) would be useful for public trust purposes because of the following:

- The 39.3 acres of land which Catellus would transfer to the Port adjacent to Pier 80 (File 255-91-2) would enable the City to take advantage of existing container-oriented infrastructure in place, and therefore allow the Port to expand its container transfer facility;
- Public access, waterfront parks, and other public facilities space which would be received by the City and developed pursuant to the City land transfer agreement (File 255-91-3) would be consistent with public trust purposes;
- Up to 22.6 acres of additional real property which the Port would license to Catellus (File 255-91-1) would be

developed as open space and wetlands, and therefore would allow public recreational use;

- Catellus would be required to undertake hazardous materials investigation and toxic remediation of all the acres transferred, including the 39.3 acres of property which the Port would receive from Catellus (File 255-91-2), the 15 acres of property which the Port would transfer to Catellus, the maximum or 22.6 acres subject to the license and option agreement (File 255-91-1), the 35 acres which the City would transfer to Catellus (File 255-91-3) and the 26 acres which the City would receive from Catellus (File 255-91-5).

2. The State legislation described in the various above-listed statutes also provides that the State Lands Commission must approve the transfers. The State Lands Commission has not yet approved these transfers, but it is expected that these transfers would be approved in the near future.

3. As noted, the proposed resolution (File 255-91-8) would find and determine that the Port and City land transfers to Catellus are authorized by and consistent with State statutes. If the Board of Supervisors approves the Port or City land transfer agreements (Files 255-91-1, 255-91-2 or 255-91-3), the Board should also concurrently approve this proposed resolution. Given that the Board of Supervisors has previously established its policy by approving the Development Agreement, the Budget Analyst recommends to approve the proposed resolution.

Recommendation: Approve the proposed resolution.

Item 10 - File 255-91-9

The proposed resolution would approve the Transportation Projects Agreement for the Mission Bay Project and authorize the City to accept the donation and dedication of real property pursuant thereto and making findings in accordance with the California Environmental Quality Act.

The Board of Supervisors has previously adopted resolutions approving the Mission Bay Development Agreement and the final environmental impact review associated with the Mission Bay Project. This proposed resolution would approve the agreement specifying the design and construction of related transportation projects and the transfer of properties from Catellus Development Corporation (Catellus) to the City.

According to the proposed Transportation Projects Agreement, the following projects would be constructed:

1) King Boulevard: The City plans to expand King Street to a 155-foot wide boulevard, including installation of MUNI Metro track lines, MUNI Metro stops at 4th and 6th Streets, traffic signals, sidewalks, pedestrian crossings, and landscaping. Associated with this project, Catellus will donate approximately 4.23 acres of land located between King and Berry Streets and 3rd and 6th Streets.

2) MUNI Metro East Facilities and Access Tracks: MUNI plans to construct a new LRV storage and maintenance facility on approximately 8.16 acres of land within the Mission Bay Project area and bounded by Sixteenth, Owens and Mariposa Streets. Catellus owns 5.1 acres of the total of 8.16 acres. The remaining 3.06 acres is owned by the City. MUNI would construct access tracks from the last Metro platform stop, planned for Seventh and Channel Streets, to the Metro East Facility. As part of the project, the City would purchase the 5.1 acres from Catellus, as well as smaller parcels intended for the access tracks leading to the Metro East Facilities. The City has the option to purchase additional land along the proposed track right-of-way, if required. Other Catellus owned parcels, totalling 2.32 acres, along the access track right-of-way would be donated to the City.

3) Bus Pass Through: The City plans to construct an exclusive bus right-of-way to service a planned bus stop at the 7th and Channel Street Metro Station. Presently, the land on which the bus right-of-way would be built is not intended for use as a street. This project would construct a special bus lane. As part of the project, Catellus would donate .48 acres of land to the City.

4) Trolley Coach Extensions/ Coach Fleet Expansion: The City would also be responsible for design and construction of all proposed Trolley Coach or Motor Coach service extensions into the Mission Bay Project area. Catellus would be responsible for providing utility poles and other infrastructure that would accommodate the placement of overhead trolley wires and other MUNI equipment.

5) MUNI Operations Staging and Support Facilities: The City would be responsible for the design and construction of all support and staging facilities associated with expanded MUNI Metro, Trolley, and Motor Coach service for the Mission Bay Project area.

In addition, Catellus has agreed to pay for all remediation, or toxic clean-up on project lands, and pay for the demolition of the existing I-280 stub at 3rd Street and the off-ramp at 4th Street.

Comments

1. The Department of City Planning has determined that the Transportation Projects Agreement does not impose new significant environmental impacts, and as a result, would not require a revision to the Final Environmental Impact Review.

2. Although the Department of Real Estate has not yet performed a formal land valuation analysis, Mr. Larry Ritter of the Department of Real Estate has roughly estimated that the land parcels to be donated to the City are worth approximately $50 per square foot for land North of Channel Street and $25 per square foot for land between Channel Street and 16th Street. Assuming these rough estimates, and given a conversion factor of 43,560 square feet per acre, the total of 7.03 acres of land to be donated by Catellus to the City is worth approximately $12.26 million.

3. With respect to the land proposed to be purchased by the City for the Metro East Facilities and access tracks, Real Estate believes that the value of the land may range between $20-$25 per square foot, assuming the land is in a remediated (free of toxics) condition. Assuming a range of $20-$25 per square foot, the 5.1 acre parcel would be worth between $4.44 million and $5.55 million. However, Mr. Ritter emphasizes that the exact value of the land would be based on the future appraisal at the time of purchase, as specified in the Transportation Projects Agreement. Ms. Robin Reitzes of the City Attorney's Office further advises that the City is not specifically obligated to purchase the 5.1 acre parcel. The agreement only specifies that the City will use its "best efforts" to purchase the parcel from Catellus. In addition, as noted above, the City has the option to purchase additional land along the proposed track right-of-way, if required.

4. The Mission Bay Development Agreement previously approved by the Board of Supervisors provided for the establishment of this proposed Transportation Projects Agreement. Because of the prior Board approval of the Mission Bay Development Agreement, the Budget Analyst recommends approval of the proposed resolution.

Recommendation

Based on the prior actions of the Board of Supervisors, approve the proposed resolution.

Item 11 - File 62-91-1.1

Department:	Recreation and Park Department
Item:	Ordinance approving amendments to the Camp Mather Music Festival lease between the Recreation and Park Commission of the City and Charles Cran,. DBA: Strawberry Music, Inc., for switching the Mid-September music festival event to the Labor Day weekend at Camp Mather, Tuolumne County, California.

Description: The Board of Supervisors previously approved a five-year lease between the City, and Charles Cran, Strawberry Music Inc., to establish and operate a three-day music festival during the Memorial Day weekend (Spring Event) and a two-day music festival in mid-September during the second weekend after Labor Day (Fall Event), at Camp Mather (File 61-91-1). The lease commenced with the 1991 Spring Event, and will expire after the 1995 Fall Event. Camp Mather is a family camp owned by the City and operated by the Recreation and Park Department. Under the existing lease, the City is paid rent, for the music festival events held at Camp Mather, based on a minimum rental guarantee or a percentage of gross ticket receipts and cabin rental fees, whichever is greater (see below).

The proposed ordinance would amend the Camp Mather Music Festival lease to switch the mid-September music festival event to the Labor Day weekend. The Recreation and Park Department reports that at the time Strawberry Music, Inc. submitted their proposal for the Camp Mather Music Festival lease, the Labor Day weekend was not available because it had already been reserved by another sponsor on this music festival lease. The Department advises that the other sponsor which had reserved the Labor Day weekend was selected as the highest bidder, but subsequently cancelled its plans to sponsor the music festival. As a result of this cancellation, Strawberry Music Inc., the second highest bidder, was awarded the music festival lease. Mr. Dennis Chan of the Recreation and Park Department reports that switching the music festival to the Labor Day weekend will result in greater attendance at this event and increased revenues to the City. As such, the Department is proposing that the Camp Mather Music Festival lease be amended to change the date of the Fall event and to modify the rent amount to be paid to the City, as follows:

Minimum Rental Guarantee Payable to the City

	Current Previously Scheduled Mid-September Fall Event	Proposed Labor Day Weekend Fall Event	Difference
1992	$25,000	$45,000	$20,000
1993	27,500	50,100	22,600
1994	30,000	50,100	20,100
1995	32,500	55,100	22,600

Percentage of Gross Ticket Receipts
and Cabin Rental Fees

Previously Scheduled Mid-September Fall Event

1991 and 1992	10 percent of all gross ticket receipts
1993, 1994 and 1995	10 percent of first $300,000 of ticket receipts and 12 percent of the ticket receipts over $300,000
All Years	8 percent of all cabin rental fees.

Proposed Labor Day Weekend Fall Event

12 percent of the first $350,000 of gross ticket receipts.

14 percent of all ticket receipts above $350,000.

8 percent of all cabin rental fees.

Comment: Mr. Chan reports that ticket sale revenues paid to the City for the 1991 mid-September Fall Event totaled $26,045 (10% of $260,455). As of the writing of this report, Mr. Chan did not have an estimate of revenues that the City would receive on ticket sales for the proposed 1992 Music Festival Labor Day Weekend Fall Event. However, Mr. Chan advises that for the 1990 Fall Event that was held on Labor Day, the gross ticket sale revenues totaled $288,907, of which 10 percent or $28,891 accrued to the City. Under the proposed amendment, if ticket sale revenues totaled $288,907 for the Labor Day Fall Event, the City would receive $34,669, based on 12 percent of the gross ticket receipts. Such revenues accrue to the Special Revenue Fund of the Recreation and Park Department.

Recommendation: Approve the proposed ordinance.

**BOARD OF SUPERVISORS
BUDGET ANALYST**

Items 12, 13 and 14 - Files 97-91-48, 101-91-43 and 101-91-44

Departments: Police Department
Parking and Traffic
Controller

Items: The proposed ordinance would amend the Administrative Code by amending Sections 10C.1, 10C.4, 10C.5, 10C.6, 10C.7, 10C.8, and 10C.12 thereof, authorizing the Department of Parking and Traffic to pay reimbursements for towing and storage of vehicles; authorizing a person designated by the Chief of Police and the Director of the Department of Parking and Traffic to pay reimbursements not to exceed the amount authorized by payment of claims in Section 10 of the Administrative Code; and adding Sections 10.151-1 and 10.169-2 thereto, creating cash revolving funds for payment of towing and storage reimbursements. (File 97-91-48)

Appropriating $35,000, Department of Parking and Traffic, to increase revolving fund and rescinding $35,000 from judgments and claims. (File 101-91-43)

Appropriating $65,000, Police Department, to increase revolving fund and rescinding $65,000 from judgments and claims. (File 101-91-44)

Source of Funds: Judgments and Claims, General Fund (Controller's 1991-92 budget)

Description: The proposed ordinance would grant the Department of Parking and Traffic the same authority as the Police Department to hold tow hearings and grant reimbursements of tow charges to individuals, for example, if towing and storage were not authorized by the State Vehicle Code, if the Department is negligent in reporting, filing, or recording the circumstances of the towing and storing of the vehicle and if a vehicle not subject to towing and storage were towed and stored. Also, if a City resident's car is stolen and recovered, a City ordinance specifies that the owner will be reimbursed for tow and storage. In addition, the proposed ordinance would increase the maximum amount of tow reimbursements, without the approval of the Board of Supervisors, from $100 to the maximum amount authorized for payment of unlitigated claims under Section 10.21 of the Administrative Code. That amount is currently $5,000. Finally, the proposed ordinance would amend the Administrative Code to establish a cash revolving fund for tow reimbursements for the Department of Parking and Traffic, at $35,000, and the Police Department, at $65,000. (File 97-91-48)

The companion ordinances would appropriate $35,000 for the Department of Parking and Traffic (File 101-91-43) and $65,000 for the Police Department (File 101-91-44) from the General Fund's Judgments and Claims account in the Controller's 1991-92 budget.

Comments:

1. According to Mr. Ray King of the City Attorney's Office, the Department of Parking and Traffic currently conducts tow hearings, without Administrative Code authority to do so. The proposed ordinance would officially sanction a de facto responsibility of the Department of Parking and Traffic, Mr. King advises. The Police Department also conducts tow hearings, but already has the authority to do so.

2. The Police Department would authorize the towing of a vehicle involved in a collision or impounded for evidence, and would also reimburse owners for towing and storage of stolen vehicles. The Department of Parking and Traffic would authorize the towing of vehicles due to parking infractions.

3. According to Mr. King, reimbursement requests are treated as legal claims that require the efforts of the City Attorney's Office and the Controller, although the claims are generally routine, because no mechanism has been established for the Police Department or the Department of Parking and Traffic to pay tow reimbursements. The City Attorney's Office is fully supportive of the proposed ordinances.

4. Currently, a claim for reimbursement for unauthorized towing and storage of vehicles must be handled according to the following procedure:

   - Owner of vehicle files claim with the Controller's Office;
   - Controller records claim and forwards to City Attorney's Office;
   - City Attorney's Office sends claim to the Police Department or the Department of Parking and Traffic for investigation;
   - Police Department or Department of Parking and Traffic investigates claim, determines appropriate refund amount, recommends payment of the amount and returns claim to City Attorney's Office;
   - If City Attorney's Office approves payment, a revolving fund check to the vehicle owner is issued.

If the proposed ordinances were approved, the owner of the vehicle would file a request for tow hearing with the Department of Parking and Traffic or the Police Department, where a hearing officer would evaluate the owner's request. If the hearing officer finds that the owner's car was entitled to reimbursement, the Department would issue a revolving fund check immediately. If the hearing officer denied the owner's request, then the owner would pursue the claims process noted above.

5. According to Mr. King, the cost to the City Attorney of processing a claim averages approximately $300. Mr. King advises that the City Attorney processed 1,063 tow claims in 1990-91, at an approximate total cost of $318,900.

6. In response to the City Attorney's request, the Controller's Internal Audit Division conducted an audit of the City's Vehicle Towing and Storage Refund Requests Processing Procedures. The Controller's audit report, issued on November 21, 1989, recommended that in order to expedite the current cumbersome procedures, the Police Department should establish a separate revolving fund to handle vehicle tow reimbursements and that refund requests should be filed directly through the San Francisco Police Department's Legal Division. The Department of Parking and Traffic was established after the Controller's audit, and currently follows a tow reimbursement procedure as cumbersome as that of the Police Department. The Controller's Office advises that if the proposed ordinances were approved, the tow reimbursement administrative process would be streamlined without compromising any internal controls over the use of the funds.

7. The current maximum tow and storage reimbursement that can be granted without the approval of the Board of Supervisors is $100. However, a simple tow and storage reimbursements process has never been used, since no mechanism to pay such reimbursements - that is, no revolving fund - has existed. Rather, the unlitigated claims process has been used to pay such reimbursements. Therefore, the $100 maximum has never been relevant. The maximum unlitigated claim that can be granted without the approval of the Board of Supervisors is $5,000. Therefore, the proposed $5,000 maximum would allow the Police and Parking and Traffic Departments to operate with the same maximum as is currently in use. (File 97-91-48)

8. According to the proposed resolution, the maximum tow and storage reimbursement would be equal to the maximum

unlitigated claim that can be granted without the approval of the Board of Supervisors. Thus, if the maximum unlitigated claim amount increases, as authorized by the Board of Supervisors, the maximum tow and storage reimbursement which could be paid would likewise increase. (File 97-91-48)

9. According to Mr. King, the amount of each refund is governed by the charges permitted in the contract between the City and the contracted towing company, City Tow. In fact, according to Mr. King, the towing and storage refund is frequently not in dispute. Mr. King reports that under the current arrangement, the Board of Supervisors approves the budget for the Controller's Judgment and Claims fund.

10. The proposed ordinances (File 97-91-48) would create two cash revolving funds. A revolving fund is administered by a Department opening a checking account at a local bank with an initial deposit equal to the stated amount of the revolving fund. As checks are written by the Department and the initial deposit is depleted, the revolving fund is replenished by the Controller by the issuance of a City warrant drawn against the Department's annual budget. Generally, revolving funds should contain sufficient funds to cover two times the amount submitted to the Controller for replenishment. This would allow the Controller's Office to process one-half of the amount of the revolving fund for reimbursement back to the Department, while the Department uses the other half to make revolving fund payments.

Mr. King reports that the amount of refund payments totalled $422,704 in fiscal year 1990-91, an average of $35,225 per month. The amounts requested for the proposed two revolving funds, at $35,000 for the Department of Parking and Traffic (File 101-91-43) and $65,000 for the Police Department (File 101-91-44) total $100,000. Since revolving funds should contain sufficient funds to cover two times the amount submitted to the Controller, or $70,450 (twice $35,225) the total amount of the revolving funds should be reduced to $75,000, or 75 percent of the total request. This would allow the Departments some flexibility if costs were slightly higher than average. Thus, the revolving fund for the Department of Parking and Traffic should be reduced to $26,250, or 75 percent of the original request (File 101-91-43). The revolving fund for the Police Department should be reduced to $48,750, or 75 percent of the original request (File 101-91-44). In addition, the City Attorney's revolving fund, which contains $175,000 and is used for tow and storage reimbursements as well as for other claims, should be reduced by $75,000, to

$100,000, since expenses from that account would be reduced by $75,000 if the proposed ordinances are approved.

Recommendations: 1. Reduce the revolving fund for the Department of Parking and Traffic by $8,750, from $35,000 to $26,250. (File 101-91-43)

2. Reduce the revolving fund for the Police Department by $16,250, from $65,000 to $48,750. (File 101-91-44)

3. Prepare in and report out an ordinance to reduce the City Attorney's revolving fund by $75,000 from $175,000 to $100,000 to take effect following the effective date of the proposed ordinance creating the proposed revolving funds.

4. Approve the proposed ordinances as amended.

Item 15 - File 101-91-40

Department: Airport Commission

Item: Ordinance appropriating funds for various capital improvement projects for Fiscal Year 1991-92.

Amount: $17,501,272

Source of Funds: Interest earnings on the following Airport Funds:

Capital Improvement Fund-Unreserved Balance	$6,402,485
1967 Airport Bond Fund-Unreserved Balance	46,086
1975 Airport Bond Fund-Unreserved Balance	303,576
1977 Airport Bond Fund-Unreserved Balance	384,859
1981 Airport Bond Fund-Unreserved Balance	1,708,415
1983 Airport Bond Fund-Unreserved Balance	1,958,161
1990 Airport Bond Fund-Unreserved Balance	6,697,690
Total funds available	$17,501,272

Description: The Airport is requesting a supplemental appropriation from the various sources listed above to be allocated to the following projects:

High speed exit taxiways off of Runway 10L The proposed funding would provide for construction costs.	$2,000,000
Drainage Improvement Canal The proposed funding would provide for construction costs to replace an existing 48" drainage pipe with a twin 48" drainage pipe to improve storm drainage.	1,600,000
New Firehouse No. 2 The proposed funding would provide for construction costs to replace the old Firehouse No. 2 with a larger Firehouse capable of accommodating the larger Crash/Fire/Rescue vehicles.	2,500,000

Partial reconstruction of pavement on Runway 28R The Airport advises that this project would cost over $17 million. The proposed funding would finance the first phase of the project. Of the total of $4,401,272, Engineering and Design to be completed in-house would account for $808,397, and the remaining $3,592,875 would be used for construction.	$4,401,272
South San Francisco Home Insulation Project This project would provide the City of South San Francisco with $1,000,000 per year for the next 10 years to subsidize the retrofit of insulation in homes affected by aircraft noise. The Airport expects that the requested $7 million, plus investment income derived from the $7 million, will allow payment of up to $10 million to the City of South San Francisco.	7,000,000
Total Amount Requested	$17,501,272

Comments:

1. According to Mr. Leo Fermin of the Airport, Construction on the high speed taxiways, drainage improvements, the new firehouse, and the reconstruction of Runway 28R will begin in 1992. The construction costs total $9,692,875. The Airport will select construction contractors through competitive bid to complete the construction work listed above. Therefore, the total amount of $9,692,875 should be reserved pending the provision of contractual information, including the amount and MBE/WBE participation.

2. The amount of $7 million intended for the City of South San Francisco for retrofit of private homes with noise reducing insulation would be allocated in amounts of $1 million on an annual basis. The City of South San Francisco would use the money to subsidize the retrofit of private homes affected by aircraft noise. The Airport advises that the total appropriation of $7 million, plus investment income, will be sufficient to fund the $10 million total allocation over 10 years. Once appropriated, the Airport would not have to seek separate annual appropriation of each $1 million allocation.

3. According to Mr. Fermin, the funding for the retrofit of private homes is part of an existing contractual agreement with the City of South San Francisco, which provides for acquiring noise easements from residents of South San Francisco. According to the agreement, residents would grant noise easements in exchange for allowing their homes to be retrofitted with additional sound reducing insulation. This program is similar to a program implemented in July of 1991 with the City of Millbrae. Mr. Fermin further reports that the City of South San Francisco also agreed to not change current zoning requirements for properties located north of the Airport under existing airplane flight paths.

Recommendation: Amend the proposed supplemental appropriation ordinance to reserve $9,692,875 pending the provision of contractual information including the contractual amount and MBE/WBE participation.

Approve the ordinance as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 16 - File 101-91-45

Department:	Department of Social Services
Item:	Ordinance appropriating federal funds for other contractual services, Department of Social Services.
Amount:	$44,000
Source of Funds:	Federal Independent Living Skills Program (ILS) funds

Description: The DSS is requesting a supplemental appropriation of $44,000 in additional federal funds for the Independent Living Skills Program. The Independent Living Skills Program is designed to serve 16-21 year olds, who are seeking to become independent from foster care. The funds would be used to supplement the following existing contracts:

San Francisco Educational Services San Francisco Educational Services provides tutoring to ILS participants in their homes. The proposed funding would increase the existing contract to provide for an additional 250 hours of tutoring services, based on an average cost of $32 per hour.	$8,000
The Family School The Family School provides a home-based program of workshops designed to enhance the independent living skills of youth seeking to become emancipated. The proposed funding would enhance the existing level of services, including the provision of cooking classes, a fashion seminar focusing on self-esteem and confidence, a camping trip to promote self-reliance and independence, vocational internships, and college and vocational subsidies.	36,000
Total	$44,000

Local Match: The proposed additional allocation of Federal ILS funds requires a 100 percent local match. DSS has provided the following breakdown of the local match funding to be provided by nonprofit agencies:

Cash contribution from the Worker's Children's Fund The Worker's Children's Fund is a nonprofit organization, which provides assistance to children in foster care. The Worker's Children's Fund proposes to award eight college scholarships to participants of the ILS Program.	$14,000
In-kind contribution from the Florence Crittenton Agency Florence Crittenton proposes to provide tutoring, computer training, and vocational training services.	24,000
In-kind contribution from Mentor Volunteer Services Mentor Volunteer Services proposes to recruit 20 adult volunteer mentors to work with ILS youth.	3,000
In-kind contribution from College Club Volunteers College Club Volunteers work individually with college-bound seniors to help them apply to college and apply for financial aid. The ILS Program plans to recruit one additional volunteer.	3,000
Total Local Match	$44,000

Comment: According to DSS, Counties are permitted to use in-kind and third-party contributions as local matches in lieu of local General Fund monies.

Recommendation: Approve the proposed ordinance.

Item 17 - File 153-92-1

Department:	Department of Social Services (DSS)
Item:	Resolution authorizing the Department of Social Services to apply for a new grant from the Social Security Administration.
Grant Amount:	$217,925
Grant Period:	July 1, 1992 to November 30, 1993 (17 months)
Source of Funds:	Social Security Administration (SSA)
Project:	New Connections Project
Project Description:	The proposed grant funds would be used by the DSS to implement a new project aimed at providing outreach services to homeless persons who are eligible to receive Social Security Insurance (SSI), in order to enable these persons to successfully complete the SSI application process. Outreach services would include ongoing, intensive case management and support to clients and, if necessary, would link clients with representative payees, when the application process is successfully completed. Representative payees are responsible for administering individual client's SSI payments, to ensure that the client's basic needs are met (i.e., payment of rent). Clients would be invited to drop in at regularly scheduled group meetings to receive SSI information and personal support and would have access to a wide range of treatment and social services available through San Francisco's Multi-Service Centers for the homeless.
No. of Persons to be Served:	Will assist 50 clients to complete the SSI application process over the term of the grant.

Project Budget:

Personnel	FTE		
Project Director/Outreach Worker	1.00	$48,042	
Outreach Workers (2)	2.00	89,452	
Clerical Support	.50	17,703	
Fringe Benefits		40,351	
Subtotal	3.50		$195,548
Operating Expenses			
Travel		5,000	
Equipment (Personal Computers)		5,000	
Supplies		2,000	
Subtotal			12,000

Indirect Costs	$ 10,377
Total	$217,925

Required Match: $29,064 in-kind match (these monies are included in the Department's 1991-92 budget).

Indirect Costs: $10,377, or approximately five percent of the total grant

Comments:

1. Mr. Chris Collins of the DSS reports that the Department has not, as yet, determined whether the grant positions noted above will be Civil Service or contract positions. Mr. Collins advises that this information will be made available when the Department submits its request to the Board of Supervisors for authorization to expend the proposed grant funds.

2. Mr. Collins also reports that the Department will submit its request for computer equipment to the Electronic Information Processing Steering Committee (EIPSC) for approval, prior to requesting authorizing to expend the proposed grant.

3. The body of the proposed resolution includes language which (1) requests authorization to apply for the proposed grant retroactively and (2) acknowledges that indirect costs have been included in the program budget. However, this information is not included in the title of the legislation.

4. The DSS has prepared a Disability Access Checklist which is in the file.

5. Attached is a grant summary, as prepared by DSS, for this proposed grant.

Recommendations:

1. Amend the proposed resolution to include in the title of the legislation that (1) indirect costs in the amount of $10,377, or approximately five percent of the total grant have been included in the program budget and (2) authorization for the DSS to apply for the proposed grant retroactively.

2. Approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Grant Application Information Form

A document required to accompany a proposed resolution
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: Social Services

Contact Person: Chris Collins Telephone: 557-5846

Project Title: New Connections

Grant Source: Social Security Administration

Proposed ([✓ New] / Continuation) Grant Project Summary:

The New Connections project will reach out to SSI-eligible homeless persons and provide them with the information, services and support they need to successfully complete the SSI application process. Outreach Workers will offer ongoing, intensive case management and support to clients in their application for SSI, and, if necessary, will link clients with representative payees when the application process is successfully competed. Clients or potential clients will be invited to drop in at regularly scheduled group meetings to receive SSI information and personal support. New Connections clients will have access to a wide variety of treatment and social services available through San Francisco's Multi-Service Centers for the homeless.

Amount of Grant Funding Applied for: $217,925

Maximum Funding Amount Available: no stated maximum

Required Matching Funds: in-kind match of $29,064 in staff time

Number of Positions Created and Funded: 3.5 FTE

Amount to be Spent on Contractual Services: $0

Will Contractual Services be put out to Bid? ______

Term of Grant: July 1, 1992 to November 30, 1993

Date Department Notified of Available funds: Early November, 1991

Application Due Date: November 19, 1991

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

> The goal of projects funded under the SSI Outreach Demonstration Program will be to demonstrate effective, efficient, ongoing and transferable approaches for identifyiing potentially eligible needy aged, blind and disabled individuals and assisting these individuals in the application process. By effective, we mean methods that result in significant increases in SSI awards to underserved populations. By efficient, we mean those methods that find the most peopl potentially eligible for benefits and assist them to apply while conserving both public and private resources and minimizing the burden of application for clients. These projects will either target additional underserved populations or expand upon ideas being tested in the cooperative agreements previously funded.

Assessment of Need for Grant Funding:

> The 1990 census found that over 5000 persons in San Francisco are homeless, and some estimates put this number substantially higher. A large percentage of these homeless persons have likely been on the street for some time and may not have fully benefited from available services or been able to find permanent housing. A 1988 survey by the United Way of the Bay Area concluded that approximately 30% of the homeless population are mentally disabled. A 1985 street survey of the homeless found that 32% had had at least one psychiatric hospitalization. If we assume that these surveys accurately represent the percentage of mentally disabled persons, then approximately 1,500 of the more than 5,000 homeless persons in San Francisco are mentally disabled. Current resources are not sufficient to help the mentally disabled homeless apply for SSI and complete the application process.

Department Head Approval

Item 18 - File 148-92-1

Department:	Department of Public Works
Item:	Resolution authorizing the Department of Public Works (DPW) to apply for, accept and expend grant funding from the California Resources Agency for additional environmental enhancement improvements and allowable indirect costs in the Embarcadero Surface Roadway Project.
Grant Amount:	$500,000
Grant Period:	If approved, funds will be available for expenditure during a two year period beginning with the date of approval.
Source of Funds:	State of California Resources Agency -- Environmental Enhancement and Mitigation Program (AB 471).
Project:	South Embarcadero Roadway Tree Enhancement Project.
Description:	The South Embarcadero Roadway Tree Enhancement Project is an element of the South Embarcadero Roadway Project component of the Waterfront Transportation Projects. The Department of Public Works is seeking funding for the Tree Enhancement Project from the California Resources Agency, pursuant to AB 471, which established the Environmental Enhancement and Mitigation Program. AB 471 provides a total of $10 million over ten years for projects throughout the State which mitigate the adverse environmental impacts of public transportation facilities.

The proposed Tree Enhancement Project will also utilize funds provided by the Federal Highway Administration and the local 1/2 cent transportation sales tax to finance the placement of approximately 350 trees along the Embarcadero from Folsom Street to the intersection of Second and King Streets and from Second and King Streets to the intersection of Third and King Streets.

The South Embarcadero Roadway Tree Enhancement Project has a total budget of approximately $2.1 million. The Department of Public Works is seeking $500,000 of this total from the California Resources Agency through the Environmental Enhancement and Mitigation Program (AB 471).

The budget for the South Embarcadero Roadway Tree Enhancement Project reflects that funds will be expended for tree purchases, tree grates, planting trenches, and irrigation systems, as outlined below.

Project Budget:

	Number of Items	Cost Per Item	Total Cost
I. PROJECT COSTS			
Folsom to 2nd and King			
Landside Trees (Sycamore Trees)	120	$900	$108,000
Planting Trench [per linear foot (l.f.)]	1,415	130	183,950
Tree Grates	120	500	60,000
Irrigation System	120	1,200	144,000
Subtotal			$495,950
Median Trees (Palm Trees)	150	3,500	$525,000
Planting Trench (l.f.)	3,000	100	300,000
Irrigation System	150	1,200	180,000
Subtotal			$1,005,000
Total			$1,500,950
2nd and King to 3rd and King			
Sidewalk Trees (Sycamore Trees)	31	$900	$27,900
Planting Trench (l.f.)	740	130	96,200
Tree Grates	31	500	15,500
Irrigation System	31	1,200	37,200
Subtotal			$176,800
Median Trees (Sycamore Trees)	54	900	$48,600
Planting Trench (l.f.)	1,220	100	122,000
Irrigation System	54	1,200	64,800
Subtotal			$235,400
Total			$412,200
Total of Direct Project Costs			$1,913,150
Indirect Cost Calculation			
DPW Const. Management Labor @ 8% of Direct Cost			153,052
Allowable mandatory fringe @ 22.94% of DPW Labor			35,110
Indirect Cost Subtotal			$188,162
TOTAL DIRECT AND INDIRECT COSTS			$2,101,312

II. PROJECT FUNDING

Federal Highway Administration	$1,250,280
Local Transportation Sales Tax (15% match)	220,638
Federally Funded Portion (70% of Total Cost)	$1,470,918
Environmental Enhancement & Mitigation Grant (subject of proposed legislation)	**500,000**
Other/Local Transportation Sales Tax	130,394
Non-Federally funded portion (30% of Total Cost)	$630,394
TOTAL PROJECT FUNDING	$2,101,312

Required Match: None required for State funds.

Indirect Costs: The total project budget of $2.1 million includes indirect costs of $188,162.

Comments: 1. Mr. Joe Cheung, Project Manager for the Embarcadero Roadway Project, reports that the South Embarcadero Roadway Tree Enhancement Project is being undertaken pursuant to the South Embarcadero Roadway Plan, which was approved by the Port Commission in 1991. Mr. Cheung reports that the South Embarcadero Roadway Plan calls for the placement of trees along the designated segments of the Embarcadero. Design aspects of the project are now being completed, according to Mr. Cheung, and construction is expected to begin in the spring or summer of 1992.

2. Mr. Cheung indicates that the Roadway Plan initially did not specify the types of trees to be planted. On January 22, 1992, after considerable public hearings, the Port Commission approved a resolution which determined that the median trees, between Folsom to 2nd and King, will be Canary Island palm trees. Mr. Cheung indicates that the landside trees, which would be planted on the side of the roadway which is farthest from the waterfront, and the sidewalk trees will probably be Sycamore trees.

3. Mr. Cheung indicates that the cost of the trees was estimated by landscapers at the Department of Public Works who obtained average market values for palm trees at least 20 feet high and Sycamore trees at least 4 inches in diameter. As reflected in the budget above, the estimated cost per palm tree is $3,500 and the estimated cost per Sycamore tree is $900. A total of 355 trees are included in the above cost estimates.

4. Unit costs for the planting trenches are based on linear feet of trench. Costs of the irrigation system are stated as the average cost per tree.

5. Mr. Cheung indicates that indirect cost calculations have been based on a standard formula used by DPW to estimate costs of construction management labor, fringe benefits and related overhead costs. Mr. Leonard Tom of DPW reports that inclusion of these indirect costs in a project which will be partially funded by the proposed grant, if it is awarded, is permissible under the terms of the grant application. The proposed resolution does not reflect this inclusion of allowable indirect costs and should be amended accordingly.

Mr. Tom also reports that general administrative expense to the City and County of San Francisco is an eligible indirect cost under the terms of the AB 471 grant program, but that these charges have not been included in the budget for the South Embarcadero Roadway Tree Enhancement Project because: 1) general administrative expenses have been recovered for other components of the Waterfront Projects in amounts sufficient to cover the City's administrative costs; 2) the AB 471 grant program imposes a grant ceiling of $500,000, so that indirect charges would not increase the amount of the award; and 3) omitting general administrative expenses from the grant request enhances the merits of the proposal as a strict environmental enhancement project, and increases the probability of the grant's approval. The decision not to include indirect costs for the City is a policy decision for the Board of Supervisors.

6. Mr. Cheung indicates that a separate budget has not been prepared showing how State funds received through the Environmental Enhancement and Mitigation program will be allocated, if the grant request is approved. The proposed State funding of $500,000 will be only one source of funding for the $2.1 million total project budget.

Federal Highway Administration funding for the Tree Enhancement Project is expected in the amount of $1,250,280. Mr. Cheung indicates that the Board of Supervisors has already authorized and DPW has already applied for this grant from the Federal Highway Administration, and that Federal funding is now "committed." Mr. Cheung indicates further that the Federal funds are expected to be appropriated when the project is advertised for bid, in late February or early March.

7. Mr. Cheung indicates that the $500,000 shortfall which would result if the proposed State funding is not obtained would be alleviated by a transfer of funds from the South Embarcadero Roadway Project to the South Embarcadero Roadway Tree Enhancement Project. Mr. Cheung indicates that the Roadway Project has a budget of approximately $25 million, of which approximately ten percent is set aside for contingencies such as these.

8. Maintenance of the trees to be planted under the South Embarcadero Tree Enhancement Program will be provided by the Department of Public Works as part of its overall maintenance activities for the entire waterfront. According to Mr. Cheung, funding for such maintenance will be provided by revenues from the 1/2 cent local transportation sales tax. These maintenance costs are included in a twenty-year budget projection for the use of local transportation sales tax revenues by the Department of Public Works.

Recommendations: 1. Amend the proposed resolution by inserting the words, "including allowable indirect costs," between the words "Embarcadero Surface Roadway Project" and "and to execute" on lines 2-3 of page 3.

2. Approval of the amended resolution which does not include indirect costs for the City is a policy matter for the Board of Supervisors. The type of trees to be planted for this project is also a policy matter for the Board of Supervisors.

Item 19 - File 12-91-49

1. The proposed resolution would approve the participation of the City and County of San Francisco in a pilot project authorized by AB 1755 to determine the efficacy of use by public entities of the Small Claims Courts for actions on claims between $2,500 and $5,000.

2. Section 116.231 of the State Code of Civil Procedure currently prohibits any person, including a public entity, from filing more than two actions in Small Claims Court in which the amount demanded is between $2,500 and $5,000 in any calendar year. This filing limit has the net effect of requiring the City to file claims that exceed $2,500 in Municipal Court, which (a) is more costly for the City than filing in Small Claims Court and (b) involves the defendant obtaining legal counsel.

3. The State Legislature approved AB 1755 in the Fall of 1991. AB 1755 which became effective as of January of 1992, permits two local jurisdictions to conduct pilot projects to evaluate the use and cost savings resulting from public entities being allowed to file claims of between $2,500 and $5,000 in Small Claims Court instead of in Municipal Court. The County of Stanislaus was selected along with San Francisco to participate in this pilot project.

4. The City Attorney's Office reports that, based on a survey of City departments, over 2,000 pending small claims to recover delinquent revenue could be filed in Small Claims Court if the filing limit did not apply to public entities. The City Attorney estimates an average cost savings of $500 per small claims case that is filed in Small Claims Court instead of Municipal Court. As such, if the City's approximately 2,000 pending small claims cases are filed in Small Claims Court rather than in Municipal Court, the City could potentially save approximately $1 million on these cases ($500 x 2,000 small claims). However, it should be noted that not all pending small claims would be referred to Small Claims court. Small claims cases that might not be referred for court action would include claims that can be handled administratively, and claims against persons who do not have the financial ability to pay.

Comment

Mr. Ray King of the City Attorney's Office reports that the one-year pilot project would commence immediately after this legislation is approved by the Board of Supervisors and would expire on December 31, 1992. Mr. King advises that at the end of the pilot project, the City Attorney is required to report to the State on the fiscal impact of the project in the City. According to Mr. King, this report will be prepared by existing City Attorney staff at no additional cost to the City.

Recommendation

Approval of the proposed one-year pilot project is a policy decision for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 20 - File 68-92-1

Department: Mayor's Office of Public Safety

Item: Resolution amending Resolution 931-91, which amended Resolution No. 116-91, to authorize the Mayor to accept and expend, retroactive to January 1, 1992, an additional $524,997 for the Community Partnership Program, for a total of $1,224,997, with $28,809 to be provided for indirect costs.

Grant Amount: $524,997

Source of Grant: Federal Office for Substance Abuse Prevention (OSAP)

Grant Period: January 1, 1992 to December 31, 1992

Project: Community Partnership Program

Description: The Community Partnership Program (CPP) is a City-wide, multi-disciplinary, comprehensive, neighborhood and youth-oriented substance abuse prevention program which began in October 1990 through funding provided by the Federal Office of Substance Abuse Prevention (OSAP). OSAP will provide $1,224,997 in Federal fiscal year 1991-92.

The Community Partnership Program emerged from the planning and program implementation efforts of the Mayor's Drug Symposium Task Force, comprised of representatives from community-based organizations, the business community, treatment providers, tenant associations, and youth. An initial grant of $500,000, which was later increased to $721,186, funded the program through December 31, 1991.

The eight San Francisco neighborhoods targeted by CPP were identified by the Mayor's Drug Symposium Task Force as priority and/or previously underserved areas of the City where drug and alcohol prevention activities should be enhanced. Those areas include the Western Addition, the Tenderloin, Potrero Hill, the Mission District, Bayview Hunters Point, Visitacion Valley/Sunnydale, Oceanview-Merced-Ingleside, and Chinatown.

A supplemental grant of $700,000 from OSAP in late 1991 provided additional funds for a related program, entitled "Neighborhoods in Transition - A Multicultural Partnership" (NIT-AMP). NIT-AMP was designed to serve nine additional areas of the City identified as being in transition, with increasing problems of poverty and drug abuse. The additional funding was based on a grant proposal originally submitted to OSAP by the Japanese Community Youth Council (JCYC). OSAP agreed to fund the JCYC proposal by augmenting the original grant to the Mayor's Office. The Mayor's Office agreed to subcontract with JCYC for the NIT-AMP component of the program. The $700,000 in additional grant funds provided $600,000 for JCYC contractual services, and $100,000 to the Mayor's Office to coordinate NIT-AMP with the existing CPP program.

The proposed resolution authorizes the Mayor to accept and expend, retroactive to January 1, 1992, an additional $524,997 for the Mayor's Community Partnership Program. These funds would finance the program during the period January 1, 1992 through December 31, 1992. When Federal funding of $700,000 for the NIT-AMP component for the period September 1991 through September 1992 is included, the total funding provided for both components will be $1,224,997.

The $524,997 allocation to the Mayor's Office will fund CPP programs and services provided by the City to the eight original neighborhoods targeted as high priority areas. Program elements include an ongoing training program for neighborhood residents which imparts information and strategies for drug prevention and treatment, a Neighborhood Empowerment Program (NEP) which funds an array of drug prevention and treatment activities conducted by approximately 17 community-based organizations, youth stipends to encourage youth participation and leadership development, and public education and workshops.

Project Budget: The budget which will govern the expenditure of the $524,977 in proposed grant funds has not yet been submitted to the Clerk of the Board nor to the Budget Analyst, as discussed in Comment 4 below.

Required Match: None

Comments: 1. The proposed resolution refers to the following prior resolutions of the Board of Supervisors concerning funding for the Community Partnership Program:

Resolution 858-90, adopted October 22, 1990, authorized the Mayor to apply for, accept, and expend $500,000 for the Community Partnership Program for the period October 1, 1990 through September 30, 1991.

Resolution 116-91, adopted on or about January 30, 1991, amended Resolution 858-90 by increasing the amount the Mayor was authorized to apply for, accept, and expend for the

CPP from $500,000 to $721,186. In addition, the resolution extended the grant period by three additional months, and placed $237,530 of the grant funds on reserve. The grant period was thereby extended from October 1, 1991 to December 31, 1991.

Resolution 931-91, adopted October 15, 1991, amended Resolution 116-91 by authorizing the Mayor to apply for, accept, and expend additional funds in the amount of $700,000 in order to fund the NIT-AMP program of the Japanese Community Youth Council for one year, and to provide funding to the Mayor's Office to coordinate the new NIT-AMP program with the existing CPP. The one-year period of the supplemental grant was to commence upon receipt of the funds.

The proposed resolution would amend resolution 931-91 to authorize the Mayor to accept and expend, retroactive to January 1, 1992, an additional $524,997, for a total of $1,224,997, with $28,809 to be provided for indirect costs. However, the title of the proposed resolution refers to the effect of Resolution 931-91, "authorizing the Mayor to accept and expend an additional $700,000 for the Community Partnership Program," which is not included in the text of the proposed resolution. This reference in the title should therefore be deleted.

2. According to Ms. Sandy Bonilla, Project Director for the Community Partnership Program in the Mayor's Office, the Federal Office of Substance Abuse Prevention provides funding for the Community Partnership Program of the Mayor's Office and for the NIT-AMP program of the Japanese Community Youth Council as a single Federal grant. This grant is conditioned on the understanding that the Mayor's Office will subcontract with JCYC to provide services in those neighborhoods designated as part of the NIT-AMP program.

Ms. Bonilla reports that OSAP has indicated its intention to fund the Community Partnership Program for a five year period, which began October 1, 1990, but that an application for continued funding must be submitted annually. The additional $524,997 to be accepted and expended if the proposed resolution is approved will not require a new application, but will supplement funds applied for pursuant to Resolution No. 931-91.

3. Ms. Bonilla indicates that all OSAP grant funds are deposited with the City. The Japanese Community Youth Council is reimbursed for NIT-AMP program expenses on a monthly basis.

4. A Summary of Grant Request has not yet been prepared for the amount of the revised total appropriation ($1,224,977). The Budget Analyst has not received a detailed budget from the Mayor's Community Partnership Program showing proposed expenditures for the grant period (calender year 1992). Due to competing demands involving the relocation of her office, Ms. Sandy Bonilla of the Mayor's Office of Public Safety has requested that the matter be continued for one week to permit submission of the necessary budgetary information.

Recommendation: Continue the proposed resolution until February 5, 1992 as requested by the Mayor's Office of Public Safety.

Item 21 - File 68-92-2

Department:	Mayor's Office of Housing and Community Development (MOHCD)
Item:	Resolution approving the 1992 Emergency Shelter Grants Program and expenditure schedule and authorizing the Mayor to apply for, accept and expend a Federal entitlement under the Emergency Shelter Grants Program and acknowledging that indirect costs have been allocated in the 1992 Community Development Block Grant Program (CDBG) to cover this program.
Grant Amount:	$422,000
Grant Period:	Two years from the date of approval by the Federal grantor
Source of Funds:	U. S. Department of Housing and Urban Development (HUD)

Project Description: The Mayor's Office of Housing and Community Development is responsible for administering and monitoring the Emergency Shelter Grants Program (ESGP). The ESGP is designed to (1) help improve the quality of existing emergency shelters for the homeless, (2) help make available additional emergency shelters and (3) help meet the costs of operating emergency shelters and of providing certain essential social services to homeless individuals. The program is also intended to restrict the increase of homelessness through the funding of preventive programs and activities. The proposed grant funds would be allocated by MOHCD to sixteen non-profit homeless service providers and shelter operators for one or more of the following activities: (1) rehabilitation of buildings used as emergency shelters, (2) provision of essential or social services to the homeless, (3) payment of operation expenses such as rent, repair of utilities, insurance and furnishings and (4) developing and implementing homeless prevention activities.

The MOHCD reports that it issued a Request for Proposal (RFP), on November 13, 1991, to homeless service providers and shelter operators. A public workshop on the RFP was held by MOHCD on December 3, 1991, to explain the requirements and application procedures for the ESGP. On December 13, 1991, the MOHCD received 22 applications in response to the RFP process.

Project Budget:

Administrative Costs		
Senior Community Development Specialist I	$10,270	
Supervising Community Development Specialist	3,198	
Garage Space (City-owned vehicles)	600	
Office Equipment/Maintenance	932	
Data Processing/Office Equipment	2,000	
Subtotal		$17,000
Non-Profit Agencies		
Rehabilitation of Emergency Shelters:		
Rebirth and Development		8,000
Essential Services:		
Catholic Charities/Diamond Youth Center and Richmond Hills Family Center	$49,000	
Friendship House Assoc. of American Indians	12,300	
Hamilton Family Center	30,000	
St. Vincent de Paul Society/Richmond Hills	22,000	
Subtotal		113,300
Payment of Maintenance and Operation:		
Asian Women's Shelter	$26,947	
Catholic Charities/Diamond Youth Shelter and Richmond Hills Center	7,000	
Central City Hospitality House	10,000	
Dolores Street Community Center	23,700	
Friendship House Assoc. of American Indians	4,053	
Hamilton Family Center	20,000	
La Casa de las Madres	30,000	
Larkin St. Youth Center	31,000	
S.F. Aids Foundation/Jack Townsend Flat	20,000	
S.F. Black Coalition on AIDS/Rafiki House	16,000	
United Council of Human Services	10,000	
Subtotal		198,700
Homeless Prevention:		
American Red Cross-Golden Gate Chapter	$60,000	
Bar Association/Homeless Advocacy Project	25,000	
Subtotal		85,000
Total		$422,000

Required Match: $422,000 ($496,916 was approved in the 1992 Community Development Block Grant Program)

Indirect Costs: $80,000 (approved in the 1992 Community Development Block Grant Program for the MOHCD administration of HUD funds allocated for the CDBG and other miscellaneous programs including ESGP).

BOARD OF SUPERVISORS
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Comments: 1. Mr. Jon Pon of the MOHCD reports that HUD requires a minimum of $422,000 in matching funds from the City to be used for projects targeted at the homeless population. Mr. Pon advises that a total of $496,916 allocated for ten homeless related projects in the CDBG Program has been identified as matching funds for the ESGP (see Attachment 1).

2. Mr. Pon advises that the $80,000 in indirect costs included in the 1992 Community Development Block Grant Program is described as indirect costs for the CDBG Program in the total amount of $20,093,535. However, according to Mr. Pon, the MOHCD intended that the $80,000 should apply to the MOHCD's administration of HUD funds allocated for the CDBG and other miscellaneous programs including, the proposed ESGP grant in the amount of $422,000. The $80,000 in indirect costs represents .39 percent of the total HUD funds of $20,515,535 for the CDBG and ESGP Programs ($20,093,535 plus $422,000). Given the small percentage of indirect costs included in the 1992 CDBG Program, the Budget Analyst believes the proposed legislation is a policy matter for the Board of Supervisors.

3. The MOHCD has prepared a Disability Access Checklist which is in the file.

4. Attached is a grant summary, as prepared by the MOHCD, for this proposed Federal grant (see attachment 2).

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Attachment 1

MATCHING FUNDS

Matching funds for the 1992 Emergency Shelter Grants Program will be the $496,916 allocated in the 1992 Community Development Block Grant Program. The proposed projects are rehabilitation to homeless facilities and public services addressing the needs of the homeless:

1.	Central City Hospitality House 146 Leavenworth Street	$54,000
2.	Dolores Street Community Center 208 Dolores Street	$40,000
3.	Hamilton Family Center 1525 Waller Street	$65,000
4.	St. Vincent de Paul 6325 Geary Blvd.	$60,000
5.	Central City Hospitality House 288 Turk Street	$86,000
6.	Asian Women's Shelter 3543 18th Street, Box #19	$21,500
7.	Central City Hospitality House 146 Leavenworth	$48,416
8.	Diamond Youth Shelter 1049 Market St., #200	$25,000
9.	La Casa de las Madres 965 Mission St., #218	$52,000
10.	St. Vincent de Paul Society of S.F. 1745 Folsom St.	$45,000
	TOTAL	$496,916

File Number ______________

Grant Application Information Form

A document required to accompany a proposed resolution
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: Mayor's Office of Housing and Community Development

Contact Person: Jon Pon Telephone: 554-8952

Project Title: Emergency Shelter Grants Program FY 1992

Grant Source: HUD

Proposed (New / Continuation) Grant Project Summary:
The Emergency Shelter Grants Program is an annual program that the City can apply for to enhance homeless shelters and related services.

The grant will be divided among 16 nonprofit agencies working with homeless people. Most of the funding will be used to support existing homeless facilities by paying for some of the operational and maintenance expenses. Other funding will be used to hire staff to improve services to the homeless and to help prevent others from becoming homeless. The nonprofit agencies are recommended for funding after a RFP process and careful review with the Citizens Committee on Community Development.

Amount of Grant Funding Applied for: $422,000

Maximum Funding Amount Available: $422,000

Required Matching Funds: $422,000 (approved in 1992 CDBG)

Number of Positions Created and Funded: None

Amount to be Spent on Contractual Services: $405,000

Will Contractual Services be put out to Bid? RFP completed for nonprofit agencies.

Term of Grant: Two years from approval

Date Department Notified of Available funds: December 23, 1991

Application Due Date: February 6, 1992

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

Only entitlement cities or counties can apply for the ESGP. Based on a HUD formula, San Francisco is eligible to apply for $422,000 for FY92.

Funds from the ESGP will be distributed to nonprofit agencies for one of more of the following activities relating to emergency shelter for the homeless. They are (1) rehabilitation of buildings used as emergency shelters; (2) provision of essential or social services to the homeless; (3) payment of maintenance and operation expenses such as rent, repair utilities, insurance, and furnishings; and (4) developing and implementing homeless prevention activities. Both essential services and homeless prevention activities are each limited by HUD regulations to 30% of the City's grant amount.

Bradford Paul
Department Head Approval

Item 22 - File 97-91-43

Note: This item was continued at the Finance Committee Meeting of September 25, 1991.

Item: The proposed ordinance would amend Chapter 6 of the San Francisco Administrative Code by adding Section 6.36-A, "Prevailing Wages for Construction Work on Leased Property," extending prevailing wage requirements to certain construction projects on privately owned property leased by the City and County, as tenant.

Construction projects would be defined by Section 7.204 of the San Francisco Charter as any "public work or improvement" and also include any construction work done under private contract when all of the following conditions exist:

(A) The construction contract is between private persons.

(B) The property subject to the construction contract is privately owned, but upon completion of the construction work, more than five thousand (5,000) square feet and more than fifty percent of the assignable square feet of the property is leased to the City and County for its use.

(C) Either of the following conditions exist:

(1) The lease agreement between the lessor and the City and County of San Francisco, as lessee, is entered into prior to the construction contract.

(2) The construction work is performed according to the plans, specification, or criteria furnished by the City and County of San Francisco, and the lease agreement between the lessor and the City and County of San Francisco as lessee, is entered into during, or upon completion, of the construction work.

(D) The work to be performed under the private contract at prevailing wages adjusted for inflation is more than an "incidental amount of construction work." The amount which would be considered an "incidental amount of construction work" would be decided upon by the Board of Supervisors. The City Attorney's Office reports that the intent is to apply the proposed ordinance to larger scale construction projects, and not require that prevailing wages be paid on small scale build-outs and routine repairs which may arise throughout the term of the lease. Mr. Harry Quinn of the Real Estate Department recommends that construction projects that are in excess of between $100,000 and $150,000 should be considered greater than an "incidental amount of construction."

San Francisco Charter Section 7.204 provides that every "Contract for [a] public work or improvement...to be done directly under the contract awarded, or indirectly by or under subcontract...or any other arrangement whatsoever must provide that any person performing labor shall be paid not less than the highest general prevailing rate of wages." The proposed ordinance is intended to clarify the circumstances regarding whether construction projects on property leased by the City and County would qualify as a "public work or improvement" as defined by San Francisco Charter Section 7.204.

The proposed ordinance would only be applicable to leases executed and approved after July 1, 1991.

Comments:

1. Based upon the results of the 1990-91 Bay Area Salary Survey Committee's report to the Civil Service Commission, prevailing wages for construction trades such as operating engineers, carpenters, electricians, painters, plumbers, truck drivers and general laborers range from 50 percent higher than non-prevailing wages for plumbers to four percent higher for truck drivers. For all of these above listed construction positions, prevailing wages are on average approximately 28 percent higher than non-prevailing wages.

2. Mr. Quinn reports that landlords would generally pass on the actual cost of renovation work to the City. Mr. Quinn indicates that the amount of square feet which the City leases, and construction costs would also affect the rental rate charged to the City. For example, Mr. Quinn reports that tenant improvements for the Superior Court lease at 525 Polk Street cost the City $900,000 or an additional $102 per square foot for 8,800 square feet. Mr. Quinn also reports that tenant improvements for the Human Rights Commission lease at 1170 Market Street cost the City $120,000 or an additional $18 per square foot for 6,500 square feet. If these tenant improvement costs increase by 28 percent on average if prevailing wages were charged, the Superior Court lease would cost the City an additional $252,000 or an additional $29 per square foot and the Human Rights Commission lease would cost the City an additional $33,600 or an additional $5 per square foot.

3. Ms. Lisa Maglio of the City Attorney's Office reports that litigation has been filed against the City by the San Francisco Building and Construction Trades Council which, if successful, would require the City to include prevailing wage

language into certain leases in which the City is a tenant. Ms. Maglio indicates that if the proposed ordinance is approved by the Board of Supervisors, it would serve incidentally as a settlement to the pending litigation. A U.S. District Court judge has issued an order which bars Contra Costa County, San Bruno and South San Francisco from enforcing laws which require wage controls on private construction projects. Ms. Maglio reports that the proposed legislation is distinguishable from the legislation struck down in the Court's opinion in the Contra Costa County case because the proposed ordinance would apply only to certain construction projects on certain public leases, unlike the laws in Contra Costa County, San Bruno and South San Francisco which applied to both public and private construction projects. Ms. Maglio indicates that this case has since been continued.

4. The proposed ordinance does not require that the City continue to lease the property for a specified period of time after the construction project is completed. Mr. Quinn reports that in order for the landlord to be reimbursed for the cost of construction, the City usually enters into a long term five-year lease, with the cost of construction amortized over the term of the lease. However, Mr. Quinn indicates that long term leases are subject to annual appropriation decisions by the Board of Supervisors, and therefore the City could terminate its lease before the landlord is reimbursed for the entire cost of the construction project.

5. As previously noted, the Real Estate Department recommends that the proposed ordinance should apply to construction projects which are in excess of between $100,000 and $150,000. However, the San Francisco Building and Construction Trades Council recommends that the proposed ordinance apply to even nominal construction projects which are less than $100,000. As previously noted, the proposed ordinance would apply to City-leased property which is greater than five thousand (5,000) square feet and more than fifty percent of the assignable square feet of the property is leased to the City and County, upon completion of the construction project. However, the San Francisco Building and Construction Trades Council recommends that the proposed ordinance apply also to those City leases which are in excess of some nominal amount of square feet which is less than 5,000 square feet.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board approves the proposed ordinance, the Board of Supervisors should amend the legislation to include the amount considered to be an "incidental amount of construction work."

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 23 - File 172-92-2

Item: The proposed ordinance would authorize the execution of the Western Systems Power Pool (WSPP) Agreement for short term economy energy transactions; waive the requirement of Section 12I.5(b) of the San Francisco Administrative Code that every contract shall contain a statement urging companies not to use tropical hardwood products; and waive the requirement of Section 12F.5 of the San Francisco Administrative Code that every contract shall contain a statement encouraging companies doing business in Northern Ireland to abide by the MacBride Principals.

Description: During periods when annual rainfall is at a normal level, excess hydroelectric power is generated by Hetch Hetchy. In periods of drought, the City must purchase supplemental energy to conserve Hetch Hetchy water for drinking. Currently, the City purchases such supplemental energy from Pacific Gas and Electric (PG&E) under a long term agreement. Under the Long Term Agreement, PG&E guarantees to provide the City certain amounts of energy. However, under some conditions, energy can be purchased at a lower rate than that charged by PG&E, although such energy is provided in inconsistent amounts. For example, electricity is a perishable commodity that must be used immediately. If excess electricity is generated by a utility in an area that cannot use that electricity at that time, the electricity becomes available for immediate consumption to utilities in other areas at a lower price. This exchange is facilitated if both the producer and buyer belong to a power pool, because a power pool sets up a framework for energy transfers and creates an information exchange. The proposed ordinance would authorize the San Francisco Public Utilities Commission (PUC) to join such a power pool, that is, the Western Systems Power Pool.

The proposed ordinance would also waive the Administrative Code requirements that (a) every contract shall contain a statement urging companies not to use tropical hardwood products and (b) encouraging companies doing business in Northern Ireland to abide by the MacBride Principals. According to Mr. Lawrence Klein of the PUC, over forty utilities have already signed the proposed agreement, which has been approved by the Federal Energy Regulatory Commission (FERC). Mr. Klein advises that if these requirements are not waived, the contract would have to be reapproved by the FERC, and the forty utilities would need to obtain approval, again, to sign the contract.

Comments:

1. According to Mr. Klein, the monies needed to join WSPP, at a one time cost of $25,000, are included in the Hetch Hetchy 1991-92 budget. Mr. Klein advises that in future years, the City would share WSPP's operating costs, at a cost of approximately $12,500 annually. The base term of the proposed contract is 20 years, although the City may cancel at any time.

2. The Western Systems Power Pool (WSPP) is a group of over 40 utilities that have signed an agreement approved by the Federal Energy Regulatory Commission to facilitate economy energy transactions. Membership in WSPP, at a one time cost of $25,000, does not require any buying or selling. Thus, Hetch Hetchy would only purchase through WSPP when it would be less costly than to purchase from PG&E. WSPP is the only organization of its kind in the Western United States.

3. San Francisco has an agreement with the Modesto and Turlock Irrigation Districts to provide those Districts with a certain fixed amount of hydroelectric energy annually, Mr. Klein reports. However, because of the drought, the City has not generated sufficient energy, and has had to purchase energy from PG&E to provide to the Districts. In 1990-91, the City entered into a modification of its agreement with Modesto and Turlock Irrigation Districts, whereby the Districts purchased some energy through a power pool at a cost lower than the City would have paid from PG&E, and the City reimbursed the Districts for the cost of the energy plus half the difference between the cost of energy and the cost of the same amount of energy through PG&E. For example, if PG&E charged 60¢ per unit to the City, while the Modesto and Turlock Irrigation Districts could purchase energy for 50¢ per unit through a power pool, then the Districts would purchase the energy at the lower cost, and the City would reimburse them 50¢ per unit, or the cost of the unit, plus 5¢, or half the amount saved by purchasing through the power pool instead of through PG&E. Thus, the City is able to realize savings while the District was paid by the City, in this example, 5¢ for every unit purchased. According to Mr. Klein, the City saved approximately $900,000 in 1990-91 in this manner.

4. If the proposed legislation is approved and the City becomes a member of WSPP, then the City could purchase energy directly through the power pool for the Modesto and Turlock Irrigation Districts without paying those Districts part of the amount saved. Based on the $900,000 savings realized through the proxy use of power pools in 1990-91, the PUC anticipates realizing savings far above the one-time

$25,000 membership cost. However, these savings are not guaranteed, since energy is not guaranteed to be available through the power pool, and the need for energy will not be the same every year. Also, if the drought ends, then Hetch Hetchy might generate sufficient energy so that the City would not need to make energy purchases.

5. The MacBride Principles call for affirmative action to be taken by institutions and companies in Northern Ireland, including hiring underrepresented groups, providing security to protect minorities at work, banning provocative emblems at work, publicly advertising job openings, and otherwise encouraging minority participation in the workforce and discouraging discrimination. The use of tropical hardwoods furthers the deforestation of the world's tropical rainforests. Mr. Klein advises that it is unlikely that any WSPP participants use tropical hardwoods or do business in Northern Ireland.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 24 - File 114-91-10

Note: This item was continued from the Finance Committee's meeting of December 11, 1991.

Department: Department of Public Works, Bureau of Building Inspection (BBI)

Item: Ordinance amending Part II, Chapter 1 of the San Francisco Municipal Code (Building Code) by amending Section 333.1, and amending Part II, Chapter 12 of the San Francisco Municipal Code (Housing Code) by amending Section 302 to establish a fee to defray the costs of the Bureau of Building Inspection to inspect code violation complaints for R-3 occupancies including one and two-family rental dwelling units.

Description: The Bureau of Building Inspection (BBI) is proposing an amendment to the San Francisco Building Code, which would add a new license fee of $10, per rental dwelling unit, per year, for one and two-family rental dwelling units ($20 for two-family dwelling units), to the list of authorized fees. BBI further proposes to amend the San Francisco Housing Code to include the collection of the license fees for one and two family rental dwelling units.

BBI reports that its Housing Inspection Division has historically performed code enforcement inspections, based on complaints, on single and two-family dwelling rental units in the City. These complaints are received by BBI from residents or neighbors. However, the Housing Inspection Division presently does not collect a fee for performing such inspections and has not been reimbursed for inspections in the past. BBI estimates that the Housing Inspection Division performs nearly 4,000 inspections each year.

The following summarizes the estimated costs to the Housing Inspection Division to perform 4,000 such code enforcement inspections each year:

Cost of Staff inspections (5,320 Housing Inspector hours @ $65.25 per hour)	$347,130
2,600 hours of Clerical support @ $31 per hour (1.25 FTE)	80,600
1,040 Senior Inspector hours for supervision and administrative support @ $67 per hour	69,680
Total estimated cost of performing 4,000 code enforcement inspections each year	$497,410

Comments:

1. BBI reports that approximately 50,000 single and two-family dwelling units exist in San Francisco. At a proposed cost of $10.00 per dwelling, the City could receive as much as $500,000 in additional revenues, which would be used to offset the present cost of performing code enforcement inspections, related to code violation complaints, on single and two-family rental dwelling units.

2. The proposed fee is intended to recover the cost of the 4,000 inspections now performed by the Housing Inspection Division each year. According to Mr. Donald McConlogue of BBI, the Bureau presently subsidizes these code enforcement inspections out of other building permit fee revenues. The City Attorney's Office advises that, by law, fees charged for a specific purpose must be used to fund that specific purpose. With respect to the building permit fee revenues, such revenues could not be used to fund code enforcement inspections. Mr. McConlogue also states that BBI has historically used building permit fees to subsidize the costs of the Housing Inspection Division's code enforcement responsibilities, since the hotel and apartment license fee revenues have been insufficient to cover all of the Housing Inspection Division's costs. Mr. McConlogue advises that such building permit fees are prepaid to cover the cost of future building permit inspections. Because building permit fee revenues have been used to subsidize the operations of the Housing Inspection Division, Mr. McConlogue believes that BBI may have insufficient funds to pay for future expected building permit related inspections. Therefore, BBI is requesting that the proposed $10.00 fee on single and two-family dwelling units be imposed to allow the Housing Inspection Division to fully recover the costs of its operations.

3. However, the Budget Analyst recommends that if a new fee is to be established for performing code enforcement inspections related to code violation complaints on single and two-family rental dwelling units, then the existing fee levels for building permits should be reduced in order to keep BBI only on a self sustaining basis (and not on a basis of revenues exceeding costs) in accordance with the prior policy established by the Board of Supervisors. The Budget Analyst's recommendation would preclude BBI from achieving additional revenues which would exceed total BBI costs by approximately $500,000 annually.

4. Mr. McConlogue reports that in FY 1990-91, BBI incurred a deficit of $909,181 due to a shortfall in revenues and a one-time expense for under-recovery of overhead charges. The shortfall was paid for through accumulated permit fee revenues already deposited in the BBI special revenue fund. Mr. McConlogue further reports that the Housing Inspection Division incurred a shortfall of $341,283, based on actual revenues and expenses for FY 1990-91. Because of such shortfalls, Mr. McConlogue argues that other BBI revenue sources should not be decreased even though a new fee on single and two-family dwelling units is being proposed.

5. The Tax Collector's Office advises that it will be responsible for distributing any new fee notices, and as such, BBI has not included the estimated costs of the Tax Collector's Office in the calculation of the proposed new fee. The Tax Collector tentatively identified a total of $317,346 in costs to implement the collection of fees on single and two-family rental dwelling units. On-going operational costs would amount to approximately $294,821. These estimates include the proposed creation of four new positions within the Tax Collector's Office. If these operational costs were added to the estimated costs of BBI (for a total of $792,231), the proposed fee would need to be increased by an additional $6.00, from the new $10.00 fee being proposed by BBI to $16.00, in order to offset the new costs of the Tax Collector's Office.

6. It should be noted that the Rent Arbitration Board's annual budget includes an amount of $130,000 to reimburse the Tax Collector's Office for the cost of collecting the Rent Arbitration Board's Rent Control Filing and Petition Fee. Assessed on Apartment and Hotel owners on a per unit basis, the Tax Collector sends out Rent Control Filing and Petition Fee bills to approximately 19,650 addresses in the City. In comparison, Mr. Peter Burns of BBI's Housing Inspection Division reports that to implement the proposed License Fee on one and two-family rental dwelling units, approximately 38,000 bills would have to be sent to building owners. Given that the collection of the Rent Control Filing and Petition Fee costs the Tax Collector's Office $130,000 per year for 19,650 mailings, the Budget Analyst questions the Tax Collector's estimate of nearly $300,000 needed annually to collect the proposed fees from the City's approximately 38,000 addresses for single and two-family rental dwelling units.

7. Mr. Peter Burns of BBI's Housing Inspection Division further estimates that using outside collection services instead of the services of the Tax Collector's Office could cost as little as $85,000, annually. As of the writing of this report, BBI intends to collect the fees in-house, using existing Housing Inspection Division staff.

Recommendation: Because BBI is proposing a new $10.00 fee on one and two-family rental dwelling units without reducing other permit fees, the proposed ordinance is a policy matter for the Board of Supervisors.

Item 25 - File 114-91-11

Note: This item was continued from the Finance Committee's meeting of December 11, 1991.

Department: Department of Public Works, Bureau of Building Inspection (BBI)

Item: Ordinance amending Part II, Chapter 1 of the San Francisco Municipal Code (Building Code) by amending Section 333.3 relating to the fee for energy reports and certificates.

Description: The Bureau of Building Inspection (BBI) is proposing an amendment to the San Francisco Building Code, which would increase the fee charged by $5.00, from $5.25 to $10.25, a 95 percent increase, for providing Residential Energy Conservation compliance reports and certificates.

In September of 1991, the Board of Supervisors approved the Residential Water Conservation Ordinance (Ordinance No. 185-91), which required that BBI perform residential water conservation inspections concurrently with the present program of residential energy conservation inspections. The ordinance further provided that BBI provide inspection forms and certificates of compliance to document completed inspections. A copy of the certificate of compliance would then be furnished to the Water Department.

Because of the recent enactment of the Residential Water Conservation Ordinance, BBI is requesting an increase in the fees used to pay for the cost of providing the reports and certificates. BBI intends to redesign the residential energy conservation inspection forms and certificates to accommodate the requirements of the Residential Water Conservation Ordinance. BBI has estimated that the costs of implementing the requirements of the Residential Water Conservation Ordinance would increase as follows:

Computer Reprogramming to include residential water conservation requirements in database and to produce Water Conservation Ordinance reports for the Water Department	$2,000
Redesign and Printing of Residential Energy Conservation Ordinance inspection forms and certificates	1,000
Clerical Data entry (approximately 83 hours)	2,600
Administration and Supervision of Program (approximately 100 hours)	6,700
Total projected increase in cost	$12,300

BBI estimates that it conducts roughly 2,500 Residential Energy Conservation Ordinance inspections annually. Given an estimated cost of $12,300 to administer the Water Conservation inspections, BBI estimates the approximate increase in the fee charged for compliance reports and certificates would be $5.00 (The estimated increase is rounded to the nearest quarter of a dollar).

Comment: 1. BBI has included the $2,000 cost of reprogramming its computer and producing reports for the Water Department. Since BBI would be producing computer reports for the Water Department, the Water Department should pay for the reports.

2. BBI has also included the cost to redesign the inspection forms and certificate to track residential water conservation inspections performed by the Bureau. However, such one-time costs are relatively minor and could be absorbed by BBI. Most of the cost imposed by the Bureau will be the cost of printing, on a periodic basis, the multipart "NCR" inspection forms and certificates. Mr. Peter Burns of BBI advises that the estimated cost of the inspection forms and certificates is $0.25 per form, or a total cost of $1,000 per year, assuming 4,000 copies are produced (2,500 copies used by BBI inspectors plus 1,500 copies for inspections made by private energy inspectors). BBI furnishes the inspection forms to private energy inspectors. However, according to Mr. Burns, the total printing costs are not included in the calculation of the present fee associated with the Residential Energy Conservation Ordinance. Based on the cost of printing the inspection forms and certificates and the cost of providing the clerical and administrative time involved, the estimated fee increase would only be $4.25, not $5.00. Therefore, the proposed ordinance should be amended to reflect a fee increase from $5.25 to $9.50, an increase of $4.25.

Recommendation: Amend the proposed ordinance to increase the amount of the fee from $5.25 to $9.50, rather than a fee of $10.25, as requested by BBI.

Approve the proposed ordinance as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 26 - File 97-92-1

Note: This item was continued from the Finance Committee Meeting on January 22, 1992.

1. The proposed ordinance would amend Chapter 10 of the San Francisco Administrative Code by adding a new section 10.170-6, to require that in order to receive a grant from the City and County of San Francisco the recipient must not owe any taxes, fees or fines to the City and County.

2. Section 10.170 of the Administrative Code would provide the following:

a) In order for a proposed grant recipient to receive grant funding from the City, the recipient must not owe the City any taxes, fees, fines or other overdue payments;

b) Prior to receipt of grant funds, grant recipients must declare under penalty of perjury that they do not owe the City any taxes, fees, fines or other overdue payments;

c) Effective July 1, 1992, each grant awarded or administered by the City must contain a provision in which the grant recipient agrees that in the event the Controller determines that the recipient owed any taxes, fees, fines, or other payments which were overdue at the time the recipient signed the declaration, the City may terminate the grant and offset against grant funds due the recipient in an amount equal to the overdue payments;

d) The City agency or department responsible for awarding a grant must confirm from the Tax Collector, prior to awarding of the grant, that City records do not show that the proposed grant recipient owes the City any taxes, fees, fines or other overdue payments;

e) A grant recipient's failure to comply with any of the provisions of this legislation may result in the denial of grant funding to the recipient.

Comments

1. Mr. Richard Sullivan of the Tax Collector's Office reports that it would be very difficult, if not impossible, for the Tax Collector to certify to City departments that a given grant recipient does not owe any taxes, fees, fines or other overdue payments because, (1) presuming the grant recipient is a non-profit agency, with the exception of property taxes, and any fines associated with these taxes, the Tax Collector would not have any other records pertaining to revenues owed by such an agency to the City, unless such revenue information had been submitted by the applicable City department to the Tax Collector's Bureau of Delinquent Revenue and (2) City departments are not required to refer information to the Bureau of Delinquent Revenues regarding delinquent revenues unless such revenues exceed $300.

2. Mr. Sullivan advises that if the Tax Collector had to assume responsibility for certifying that a given non-profit agency did not owe any taxes, fees, fines or other payments, depending upon the number of the agencies, it would probably entail taking staff time away from other revenue generating activities, which would have an undetermined fiscal impact on the Tax Collector's Office. Mr. Sullivan states that it is questionable as to whether the amount of the revenues which would be realized from the proposed legislation would offset the costs associated with the Tax Collector in having to confirm that a given non-profit agency does not owe the City any monies.

3. Based on the above noted considerations, Mr. Sullivan believes the proposed ordinance should be modified to delete the statement "The City agency or department responsible for awarding a grant shall confirm from the Tax Collector prior to the awarding of the grant that City records do not show that the proposed grant recipient owes to the City and County any taxes, fees, fines or other forms of indebtedness for which payment is overdue." (See page 2, lines 6 through 11 of the proposed legislation.) Furthermore, Mr. Sullivan believes that the proposed legislation should be modified to define the types of taxes, fees, fines and other payments that would be applicable.

4. The Budget Analyst believes that it is in the best interest of the City to have some mechanism which would preclude the City's grant recipients to receive grant funds if those grant recipients owe other monies to the City.

Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Items 27 and 28 - Files 97-92-2 and 97-92-3

Note: These items were continued from the January 22, 1992 Finance Committee Meeting.

Items:

The proposed ordinances would amend Chapter 16, Article I of the San Francisco Administrative Code by amending Section 16.9-29(b) thereof, relating to transfer of sick leave and vacation benefits to catastrophically ill employees, by suspending, for employees retiring early pursuant to Charter Section 8.517-2, as follows: (a) the requirements that donors be allowed to transfer only once per pay period per recipient and the maximum numbers of hours that can be transferred in any pay period or year (File 97-92-2); and (b) the requirements that donors retain a minimum of 64 hours of sick leave and the maximum number of hours that can be transferred in a pay period or year (File 97-92-3).

Comments:

1. The portion of the San Francisco Administrative Code in question, "Eligibility to Transfer Sick Leave and/or Vacation Credits," incorrectly listed in the proposed ordinances as Section 16.9-29(b), should be listed as 16.9-29(e). Thus, both ordinances should be amended to reflect the correct section of the Administrative Code.

2. Proposition A, approved by the voters at the November 5, 1991 election, offers incentives to employees who retire in February or March 1992. Employees receive early retirement benefits as if they were three years older and had worked for the City three additional years. The Employees Retirement System (ERS) anticipates that from 1,500 to 2,000 employees will accept early retirement. The proposed ordinances pertain only to those who are retiring early under Proposition A.

3. According to the existing provisions of Section 16.9-29(e) of the Administrative Code, any employee of the City and County of San Francisco who is not catastrophically ill and who is eligible to accumulate and use vacation credits and sick leave may transfer sick leave and/or vacation credits to another employee subject to the following conditions:

(1) The transferring employee must retain a minimum sick leave balance of 64 hours;

(2) Transfers must be in units of eight hours;

(3) All transfers are irrevocable;

(4) The transferring employee may transfer hours once per pay period per recipient;

(5) The transferring employee may transfer a maximum of 80 hours per pay period and 480 hours per calendar year; and

(6) Neither the transferring employee nor the designated recipient may be in violation of Subsection (i), which states that benefits may not be sold and that employees may not be coerced into transferring benefits.

4. The proposed ordinances would suspend the following requirements of Section 16.9-29(e) regarding transfer benefits: (a) the first requirement, that employees retain a minimum sick leave balance of 64 hours (File 97-92-3); (b) the fourth requirement, that employees transfer only once per pay period (File 97-92-2); and (c) the fifth requirement, that employees transfer no more than 80 hours per pay period and 480 hours per calendar year (Files 97-92-2 and 97-92-3), only for those employees who accept early retirement.

5. Mr. Claude Kolm of the City Attorney's Office advises that employees who accept early retirement, who were not previously planning to retire, may have intended to donate sick pay over a longer period. Thus, the proposed ordinances are intended to allow those employees to donate more benefits at once.

6. Mr. Kieran Murphy of ERS advises that currently more hours of sick pay are needed for catastrophically ill employees than have been donated.

7. Both of the proposed ordinances would suspend the requirement that employees transfer no more than 80 hours per pay period and 480 hours per calendar year, so that if either of the ordinances is adopted, this requirement would be suspended.

8. Mr. Murphy anticipates that no retiring employees would transfer more than 480 hours per year or 80 hours per pay period if the maximum allowable transfer were suspended. Mr. Murphy advises that most of the sick pay benefits accumulated by those eligible for early retirement, and all of the vacation pay benefits, are vested. Vested sick and vacation time is time for which an employee will be paid upon leaving the City. Non-vested sick time is sick time that would disappear when an employee leaves the City. Vested time is a real cost to the City, whether or not it is transferred to the Catastrophically Ill Program (CIP). Few employees have accumulated more than 480 hours of non-vested sick pay benefits. (Files 97-92-2 and File 97-92-3)

9. Ms. Sandy Holmes of the Controller's Office advises that allowing employees to transfer benefits more than once per pay period could create substantially more administrative work and a greater margin for error in calculating transfers should employees choose to make more than one transfer per pay period. However, Ms. Holmes does not anticipate that employees would transfer benefits more than once per pay period if this restriction were suspended, because, in order to transfer benefits, employees must visit their personnel office in person to fill out and sign a form. Also, Ms. Holmes advises, substantial sick and vacation benefits would not accumulate more than once per pay period (File 97-92-2).

BOARD OF SUPERVISORS
BUDGET ANALYST

10. The existing requirement that employees retain a minimum of 64 hours of sick leave guarantees that any non-vested sick leave above the amount of vested sick leave and up to 64 hours would disappear upon retirement. Any hour of non-vested sick leave that could be transferred because of the suspension of this requirement, as is being proposed by these ordinances, would result in a real cost or a loss of productivity to the City. For example, an employee with 50 hours of vested sick leave, in order to conform with the requirements of the Administrative Code, would need to retain 14 hours of non-vested sick leave, for the total minimum 64 hours. Currently, those 14 hours would disappear when that employee retires. If that employee is now able and chooses to transfer those 14 hours of non-vested sick leave, the City would pay for 14 hours of sick leave for a catastrophically ill employee. Based on an average yearly salary, including fringe benefits, for City employees, of $50,000, the cost of suspending this requirement would be approximately $24 per hour (File 97-92-3).

11. Based on a sample of 467 employees eligible for early retirement, and assuming that 1,500 employees will retire early as anticipated, the Budget Analyst estimates that 39,296 additional non-vested hours could be transferred if the requirement that employees retain a minimum of 64 hours of sick leave were suspended, if employees use none of their non-vested sick time between the present time and the time of retirement, and if retiring employees transferred all of their available hours to the Catastrophically Ill Program (CIP). If 1,500 retiring employees transfer the maximum estimated additional transferable hours, or 39,296 additional hours are transferred, the cost to the City would be $943,104, or 39,296 hours times $24 per hour.

12. A Task Force on Sick Leave and Vacation Transfers, consisting of representatives from the Controller's Office, ERS, and the DPH, issued a report on December 16, 1991 regarding the CIP. According to the Task Force's report, in 1990-1991, 36,168 hours, including vacation, non-vested and vested sick time, were transferred to the CIP. According to ERS, an average of 500 persons retire every year. Thus, if only retiring employees and no other employees transferred hours in 1990-91, the average transfer per retiring employee would have been approximately 72 hours, which is well below the average accumulated vested sick time of retiring employees. In fact, most of the 36,168 hours were not transferred by retiring employees. This would indicate that, because employees have not in general donated all of their available non-vested sick time upon retirement, the proposed legislation might have a much lower cost. However, if, as a result of this legislation, employees are specifically requested to transfer hours upon retirement through a letter or other means, more retiring employees may be inclined to transfer non-vested sick hours.

13. Since the City must pay the salary cost for those catastrophically ill employees who receive transfer benefits, even though those employees are not working, every hour transferred to the CIP results in a one hour loss of productivity. A cost is incurred only if the position of the catastrophically ill employee would otherwise have been held vacant. For example, if a catastrophically ill employee who has exhausted his vacation and sick time is absent from his position, and his position is held vacant pending his return, this

a new employee, the cost to the City is approximately the same as it would have been if the catastrophically ill employee were paid during his absence and his position were not filled. The difference is that if the ill employee is unpaid and replaced, the City does not experience the loss of productivity it would if the catastrophically ill employee was paid and not replaced.

14. According to Ms. Holmes, a catastrophically ill employee may accumulate no more than 18 full-time months of transferred benefits. According to the Task Force, currently 105 catastrophically ill employees are eligible to receive transfer benefits. Based on an average annual salary and benefit of $50,000, the maximum average cost of the Catastrophically Ill Program (CIP) per participant would be an average $75,000 for eighteen months, and the total maximum cost would be $7,875,000. The Board of Supervisors in December 1991 eliminated the requirement that an employee must be absent 30 consecutive days in order to be classified as catastrophically ill. If more employees are classified as catastrophically ill due to the relaxed requirements, the maximum cost of the CIP would increase by $75,000 per employee. This maximum $75,000 per employee and $7,875,000 for the entire program includes the estimated $943,104 that could be transferred by early retirees, noted in Comment 11, as well as any other hours transferred by City employees.

15. According to Mr. Ed Harrington of the Controller's Office, the CIP has the effect of transferring the cost of catastrophically ill employees' salaries to the General Fund, because if the position of a catastrophically ill employee was funded by non-City revenue sources, such as State and Federal subventions or grants, when the catastrophically ill employee is absent from his position but continues to receive pay through the CIP, his salary costs can no longer be charged to the non-City revenue source. According to Mr. Ed Gazzano of the DPH, this is particularly problematic at the DPH, where many catastrophically ill employees occupied grant-funded positions. Dr. Gerry Oliva of the DPH advises that the State has added a clause to all contracts stating that grant-funded positions may not be left unfilled because of local policy. According to Dr. Oliva, if State-funded positions are left unfilled due to the CIP, the City is at risk of losing its State grants. As a result, the City must now fill these positions with other staff, yet continue to use General Fund monies to finance the catastrophically ill employees through the benefits conferred through the Catastrophically Ill Program.

Recommendations

(1) Amend the proposed ordinances to amend Section 16.9-29(e), not 16.9-29(b), of the San Francisco Administrative Code. (File 97-92-2 and File 97-92-3)

(2) Approval of the proposed ordinances, as amended, are policy matters for the Board of Supervisors. (File 97-92-2 and File 97-92-3)

Item 29 - File 101-91-41

Note: This item was continued by the Finance Committee at its meeting of January 22, 1992.

Department:	Mayor's Office Employee Relation Division (ERD)
Item:	Supplemental Appropriation Ordinance for other contractual services; providing for ratification of action previously taken.
Amount:	$86,169
Source of Funds:	General Fund - General Reserve

Description: The proposed supplemental appropriation request would provide additional funds to the Employee Relations Division (ERD) for legal costs associated with the implementation of Proposition D, approved by the voters in November, 1990. Proposition D requires the City and safety officer organizations (Police Officers, Firefighters and Airport Police) to negotiate, through collective bargaining procedures, wages, hours, benefits and working conditions.

During FY 1990-91, the Mayor's Office engaged Liebert, Cassidy & Frierson on a sole-source basis because of the firm's experience with the City and the firm's collective bargaining experience in arbitration in other Bay area localities. The proposed supplemental appropriation would provide additional funds to the firm of Liebert, Cassidy & Frierson which continued to perform the collective bargaining tasks required by Proposition D from August 23, 1991 through November 25, 1991. The rates under the Liebert, Cassidy & Frierson contract to perform Proposition D tasks are as follows:

Position	Hourly Rates
Paralegal	$75
Associate	$125-165
Partner	$175-185

Specifically, the funds would be used to provide the following payments to Liebert, Cassidy & Frierson:

Period	Amount
August 23 through September 17, 1991	$20,922
September 18 through October 21, 1991	28,462
October 22 through November 25, 1991	36,785
Total	$86,169

Comments:

1. On April 8, 1991, the Board of Supervisors approved a supplemental appropriation ordinance (File 101-90-72) which appropriated $232,985 in funds for costs associated with collective bargaining tasks for the implementation of Proposition D. Included in this supplemental (File 101-90-72) was $173,353 for Liebert, Cassidy & Frierson, $50,000 for arbitration, court reporter, transcript and expert witness costs, and $9,632 for the addition of an AA04 Employee Relations Assistant. This Employee Relations Assistant was included in the ERD's budget also for FY 1991-92, at an annual cost of $35,366, excluding fringe benefits. According to the Mayor's Office, this new position would be used to facilitate the wide range of research that will be necessary to present a competent case to arbitrators.

2. The proposed supplemental appropriation request would be used for additional services provided by Liebert, Cassidy & Frierson, above and beyond the services provided under the previous $173,353 supplemental (File 101-90-72). Ms. Maggie Jacobsen of the ERD reports that these additional services were required because the process of implementing Proposition D continued beyond the end of FY 1990-91. In addition, Ms. Jacobsen indicates that arbitration was required for the Police, Airport Police, and Firefighters. In addition, Ms. Jacobsen reports that a court case resulted regarding Firefighters' collective bargaining. Ms. Jacobsen also indicates that because of the legal expertise required to prepare for arbitration and the experience needed in working with City organizations, these additional services could not be accomplished with existing ERD staff. It should be noted, however, that when the original supplemental appropriation request was approved in April, 1991, the ERD reported that it had several new employees and it was anticipated that ERD staff would be able to assume such arbitration responsibilities when collective bargaining would be required in the future.

3. Ms. Jacobsen reports that currently arbitration with the Police, Airport Police, and Firefighters is still in progress. Ms. Jacobsen indicates that based upon a court decision, the

Firefighters and the City were instructed to return to the bargaining table, and the Firefighters are appealing that decision. However, Ms. Jacobsen also reports that Liebert, Cassidy & Frierson have not continued negotiations beyond November 25, 1991, and that negotiations have been suspended pending determination by the new administration as to how to proceed.

4. As noted above, the proposed supplemental appropriation request would provide for ratification of action previously taken because the legal services have already been provided by Liebert, Cassidy & Frierson. Ms. Jacobsen reports that since the City was legally-mandated to implement Proposition D, Liebert, Cassidy & Frierson continued collective bargaining negotiations with the Police, Firefighters and Airport Police even though the $173,353 in funds provided to Liebert, Cassidy & Frierson under the previous supplemental appropriation (File 101-90-72) had been fully expended. According to Mr. Jeff Sloan of Liebert, Cassidy & Frierson, Mr. Claude Everhart, former Deputy Mayor for Operations, instructed Liebert, Cassidy & Frierson to continue to provide legal services to the City although additional funds had not been identified for payments and approval had not yet been obtained from the Board of Supervisors. Ms. Jacobsen concurs with Mr. Sloan's remark.

5. Ms. Jacobsen reports that it has not yet been determined whether additional supplemental funds beyond the proposed $86,169 request, would be required to continue implementation of Proposition D. Ms. Jacobsen notes that whether additional funds would be needed depends upon the level of future arbitration. As noted, arbitration for the Police, Airport Police and Firefighters is still in progress.

6. Also as noted above, the source of funds for the proposed supplemental appropriation request would be the General Fund. Also as noted above, a supplemental appropriation request (File 101-90-72) for $232,985 has been previously approved by the Board of Supervisors, and a new AA04 Employee Relations Assistant has been added to the ERD's FY 1991-92 budget at an annual cost of $35,366, excluding benefits, to facilitate research related to arbitration. In light of the City's current fiscal situation including a projected $91.7 million revenue shortfall for fiscal year 1992-93, the Budget Analyst believes that approval of the proposed ordinance is a policy matter for the Board of Supervisors. As also previously noted, reportedly, Liebert, Cassidy & Frierson was instructed to continue to provide services.

BOARD OF SUPERVISORS
BUDGET ANALYST

7. The Mayor's Office reports that it has not completed developing a position on this issue. However, the Mayor's Office did indicate that it would comment on the proposed ordinance at the Finance Committee meeting of January 29, 1992.

Recommendation: Approval of the proposed ordinance, which would grant approval to obligations already incurred, is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Kent Sims
Adelle Foley
Ted Lakey

CALENDAR

SPECIAL MEETING OF

FINANCE COMMITTEE
BOARD OF SUPERVISORS

CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 5, 1992 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: BARBARA STAVRO-TAYLOR

1. File 97-92-7. [Resolution of Intent] Resolution expressing the intent of the Board of Supervisors and the Mayor to rescind various appropriations, modify sections of the Administrative Code and other codes, and take other actions to alleviate the impact of any projected budget deficit for the year 1991-92. (Supervisor Gonzalez)

   ACTION: AMENDMENT OF THE WHOLE ADOPTED. "[General Fund Deficit Reductions] Resolution agreeing that the Board of Supervisors will take action, if and where necessary, to make certain funds available to relieve the general fund deficit for fiscal year 1991-92." RECOMMENDED AS AMENDED.

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Public Library, Documents Dept.
ATTN: Gerry Roth

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 4, 1992

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TO: Finance Committee

FROM: Budget Analyst

SUBJECT: February 5, 1992 Special Finance Committee Meeting

Item 1 - File 97-92-7

This item is a resolution expressing the intent of the Board of Supervisors and the Mayor to rescind various appropriations, modify sections of the Administrative Code and other codes, and take other actions to alleviate the impact of any projected budget deficit for the year 1991-92.

As of the writing of this report, the proposed resolution was not available for review.

The Mayor's Budget Director, the Controller and the Budget Analyst will present a joint report to the Finance Committee on February 5, 1992 which will identify the status of the 1991-92 budget and identify policy and fiscal recommendations regarding adjustments or modifications to the projected shortfall in the current 1991-92 fiscal year budget. Representatives from the Mayor's Office, the Controller's Office and the Budget Analyst's Office will be present at the February 5, 1992 Finance Committee meeting to discuss the joint report.

Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
Supervisor Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Kent Sims
Adelle Foley
Ted Lakey

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CALENDAR

MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 5, 1992 - 2:00 P.M.   ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: BARBARA STAVRO-TAYLOR

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

a. File 28-92-1. [Airport Administration] Resolution approving a declaration of emergency, Termination Replacement, Station M - San Francisco International Airports - $40,000. (Airports Commission)

b. File 28-92-2. [Airport Administration] Resolution approving a declaration of emergency, Electrical Power Cable Failure, Cable 12BATR-1 San Francisco International Airports - $1,300,000. (Airports Commission)

c. File 38-92-4. [Acceptance of Gift] Resolution accepting a gift to San Francisco Public Library of publications (books, journals & tapes) from Jossey-Bass, Inc. Publishers, valued in excess of $100,000. (Public Library)

d. File 38-92-5. [Acceptance of Gift] Resolution accepting a gift to San Francisco Public Library of $10,000 from the San Francisco Citizen's Inaugural Committee for Mayor-Elect Frank Jordan to assist with books and programs for children's literacy. (Public Library)

ACTION: Items 1a and 1b severed. Remainder Recommended.

Item 1a, File 28-92-1. Amended. "Approving a declaration of Emergency - Termination Replacement, Station M - San Francisco International Airport: $38,946.28" Recommended as Amended.

Item 1b, File 28-92-2. Amended. Recommended as Amended. (Reduce cost to $1,050,000)

REGULAR CALENDAR

2. File 101-91-46. [Government Funding] Ordinance appropriating $146,310, Superior Court, for rental of property and services of other departments-Real Estate Service. RO #91144 (Controller)

   ACTION: RECOMMENDED.

3. File 60-92-1. [Special Election] Ordinance calling and providing for a Special Election to be held in the City and County of San Francisco on Tuesday, June 2, 1992, for the purpose of submitting to the voters of the City and County of San Francisco propositions to incur the following bonded debts of the City and County for the acquisition, construction or completion by the City and County of San Francisco of the following municipal improvements, to wit: $26,700,000 for improvements to the Civic Center Plaza and Fulton Street Mall; $21,220,000 to improve the heating system within the Civic Center area; $24,000,000 for the enlargement of the existing Civic Center Parking Garage or construction of a parking garage adjacent thereto; $76,300,000 for construction or reconstruction of improvements to Golden Gate Park; and that the estimated cost of said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such municipal improvements; fixing the date of election and the manner of holding such election and the procedure for voting for or against the propositions; fixing the maximum rate of interest on said bonds and providing for the levy and collection of taxes to pay both principal and interest thereof; prescribing notice to be given of such election; consolidating the Special Election with the General Election; and providing that the election precincts, voting places and officers for election shall be the same as for such General Election. (Supervisor Gonzalez)

   ACTION: RECOMMENDED.

4. File 78-92-1. [Health Service System Contributions] Resolution establishing the contribution to be made to the Health Service System by the City and County of San Francisco, Unified School District and Community College District for Fiscal Year 1992-93. (Health Service System)

   ACTION: RECOMMENDED.

5. File 146-92-3. [Grant - State] Resolution rescinding Resolution Nos. 453-91 and 917-91, and authorizing the Department of Public Health, Community Public Health Services, Family Health Bureau to accept and expend a grant from the California Department of Health Service, Office of Family Planning, Contract 91-12510-A2, in the amount of $1,206,415 for family planning services, providing for ratification of action previously taken; for a grant period of July 1, 1991 to June 30, 1994; waiving indirect costs, and granting the Director of Health Authority to sign any subsequent amendments up to $1,500,000 during the contract period. (Dept. of Public Health)

   ACTION: HEARING HELD. CONTINUED TO FEBRUARY 12, 1992.

6. File 101-91-10.3 [Release of Funds] Requesting release of reserved funds, Department of Public Health, Community Public Health Services/Family Health Bureau, in the amount of $114,000 for contractual services to provide educational and support services to pregnant and postpartum African-American women and infants for period of certification - June 30, 1992 - $50,000; July 1, 1992 - June 30, 1993 - $64,000 (Caheed Day Care Center, contractor). (Dept. of Public Health)

   ACTION: HEARING HELD. RELEASE OF $50,000 RECOMMENDED. FILED.

7. File 172-91-21. [Agreements] Resolution designating 72-Hour Evaluation and 14-Day Intensive Treatment Facilities, pursuant to the Welfare and Institutions Code 5150 and 5250 Et. Seq., and specifying the responsibilities of such facilities as specified by San Francisco Division of Mental Health, Substance Abuse and Forensic Services. The authorized facilities are: Langley Porter Pychiatric Institute, San Francisco General Hospital, St. Mary's Hospital and Medical Center, Pacific Presbyterian Medical Center, St. Francis Memorial Hospital, Mt. Zion Hospital and Medical Center, and St. Luke's Hospital. (Dept. of Public Health)
   (Cont'd from 1/22/92)

   ACTION: AMENDMENT OF THE WHOLE ADOPTED. "Designating Langley Porter Psychiatric Institute, San Francisco General Hospital, St. Mary's Hospital and Medical Center, California Pacific Medical Center, St. Francis Memorial Hospital, Mt. Zion Hospital and Medical Center, Community Crisis Clinic, and St. Luke's Hospital as 72-hour evaluation and 14-day intensive treatment facilities pursuant to Welfare and Institutions Code Sections 5150 and 5250, effective July 1, 1991, and authorizing the Director of Mental Health to enter into agreements with said facilities; providing for ratification of action previously taken." RECOMMENDED AS AMENDED.

8. File 68-92-1. [Federal Grant - Substance Abuse Prevention] Resolution amending Resolution No. 931-91, authorizing the Mayor to accept and expend an additional $700,000 for the "Community Partnership Program" by authorizing the Mayor to accept and expend, retroactive to January 1, 1992, an additional $524,997, for a total of $1,224,997, with $28,809 to be provided for indirect costs. (Supervisor Shelley)
   (Cont'd from /1/29/92)

   ACTION: AMENDED. Add to title, "placing reserve on $160,000." RECOMMENDED AS AMENDED.

9. File 147-92-1. [Grant - State Funds] Resolution authorizing the City Librarian to apply for, accept and expend funds not to exceed $24,344 available from the California State Library for a Resource Enhancement Program. (Public Library)

   ACTION: AMENDED. "Authorizing the City Librarian to apply for, accept and expend funds retroactively, available from the California State Library for a Resource Enhancement Program, which includes indirect costs in the amount of $1,217 or 5 percent of total grant." RECOMMENDED AS AMENDED.

10. File 101-88-118.4. [Release of Funds] Requesting release of reserved funds, Department of Parking and Traffic - Parking Authority, in the amount of $334,685, for the Upper Fillmore District (California-Steiner) Off-Street Parking Project. (Dept. of Parking & Traffic)

    ACTION: HEARING HELD. RELEASE OF $334,685 RECOMMENDED. FILED.

11. File 101-90-78.2. [Release of Funds] Requesting release of reserved funds, Department of Public Works, 1990 Earthquake Safety Bond Program Phase 2, in the amount of $1,085,600, for architectural, engineering and construction services for the Marina Green Park Earthquake Damage Repairs. (Dept. of Public Works)

    ACTION: HEARING HELD. RELEASE OF $1,043,600 RECOMMENDED. FILED.

12. File 100-91-1.17. [Release of Funds] Requesting release of reserved funds, Department of Public Works, Environmental Regulation and Management, in the amount $28,200, to purchase computer hardware and software equipment. (Dept. of Public Works)

    ACTION: CONTINUED TO FEBRUARY 12, 1992.

13. File 100-91-1.18. [Release of Funds] Requesting release of reserved funds, Department of Public Works, Environmental Regulation and Management, in the amount of $3,800, to purchase computer hardware and software equipment. (Dept. of Public Works)

    ACTION: CONTINUED TO FEBRUARY 12, 1992.

14. File 123-91-2.1. Hearing to consider status report outlining the security bond process by which the Department of Public Works may accept a security bond in lieu of a cash deposit as provided for in Article 15, Section 724.3 of the Public Works Code. (Supervisor Gonzalez)

    ACTION: CONTINUED TO FEBRUARY 12, 1992.

15. File 100-91-1.19. [Release of Funds] Requesting release of reserved funds, Department of City Planning, in the amount $100,000 for the Bernal Heights Planning and Improvements Study. (Supervisor Gonzalez)

    ACTION: HEARING HELD. RELEASE OF $46,465 RECOMMENDED. FILED.

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 3, 1992

TO: Finance Committee

FROM: Budget Analyst - Recommend [illegible]

SUBJECT: February 5, 1992 Finance Committee Meeting

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Item 1a - File 28-92-1

Department:	Airports Commission
Item:	Resolution approving a declaration of emergency, electrical terminations, Main Substation M.
Amount:	$40,000
Source of Funds:	Airport Facilities Maintenance Fund: Project Fund No. 104, Utilities.
Description:	The Airport reports that on December 9, 1991, certain "terminations" which connect one of the Airport's four main electrical transmission cables to PG&E's transmission cables failed at Airport Substation M, jeopardizing the electrical system's reliability. The President of the Airports Commission declared an emergency on December 10, 1991. A resolution declaring the emergency was adopted by the Airports Commission on January 6, 1992.

Electrical terminations connect PG&E's transmission cables to the Airport's transmission cables servicing the Airport's terminal building. The juncture of PG&E and Airport cables is housed in two substations located across Bayshore Blvd. from the Airport terminal.

In accordance with Section 6.30 of the Administrative Code, the Airport initiated an expedited contracting procedure for the necessary corrective work to the terminations at Substation M. The Airport contracted with Hi-Voltage Splicing Co., a registered but non-certified MBE, to perform the work. Costs were estimated to be $40,000.

Comments:

1. According to Mr. Al Lim, Senior Electrical Engineer for the Airport, Hi-Voltage Splicing Co. was chosen to perform the work because the firm had previously been awarded contracts for work at the Airport and was known to the Airport for its expertise in high voltage splicing and terminations.

2. A registered minority business enterprise is owned, controlled, and managed by minority individuals, but does not meet the criteria established by the Human Rights Commission for certification. These criteria include a business location in San Francisco, annual gross receipts less than a specified dollar amount (which varies by industry), and ownership by members of a minority group which is under-represented in the industry. Hi-Voltage Splicing Co. is located in Danville, CA and thus is not eligible for MBE certification.

3. Mr. Lim reports that the work on the terminations began immediately after the emergency was declared and was completed within one week. Mr. Lim reports that the actual cost of the repair work was $38,946.28. Therefore, the legislation should be amended to reflect a cost for terminations replacement of $38,946.28 rather than $40,000 Repair costs were expended from the Airport's Project Fund 104, a utility facilities maintenance fund

Recommendation: Amend the legislation to reflect a cost of $38,946.28 instead of $40,000 for terminations replacement and approve the legislation as amended.

Item 1b - File 28-92-2

Department: Airports Commission

Item: Resolution approving a declaration of emergency, electrical power cable failure, Cable 12BATR-1, San Francisco International Airport.

Amount: $1,300,000

Source of Funds: Series E Bond Funds (Fund 881-999), issued March 1990.

Description: The Airport reports that on October 11, 1991, a main cable of the Airport's power distribution system failed. The cable, Cable 12BATR-1, is one of four cables transmitting electricity from two substations near Bayshore Blvd. to the entire Airport Terminal complex, consisting of the North, South, and International Terminal buildings. The Airport declared an emergency on October 15, 1991.

In accordance with Section 6.30 of the Administrative Code, the Airport initiated an expedited contracting procedure for replacement of the cable. The Airport contracted with Barri Electric Co., Inc., a registered but non-certified MBE, to replace the cable. The original estimated cost of the project was $1.3 million to be paid from Series E bond funds. More recent cost estimates provided by the Airport are as follows:

Power transmission cable	$700,000
Labor	200,000
Cable splicing services (subcontract)	100,000
Contingency	50,000
Total Estimated Cost	$1,050,000

Comments: 1. According to Mr. Al Lim, Senior Electrical Engineer at the Airport, the failure of Cable 12BATR-1 on October 11 followed the recent failure of another of the four power transmission cables which together service the entire Terminal complex, and therefore jeopardized the reliability of the Airport's electrical transmission capabilities to the three Terminal buildings at the Airport. Replacement of the first cable which failed was nearing completion when Cable 12BATR-1 failed on October 11.

2. Mr. Lim reports that Barri Electric Co., Inc. was selected to replace the cable because the firm was already engaged in a cable replacement project at the Airport, and this firm could most expeditiously begin work to replace Cable 12BATR-1. The cable replacement project began early in November, 1991.

Barri Electric Co., Inc. is registered with the Human Rights Commission as a minority business enterprise, but since the firm is not located in San Francisco, it is ineligible to receive the more favorable designation as a "certified" MBE.

3. Mr. Lim reports that the four main power cables servicing the Terminal complex (South, North, and International Terminals) were installed approximately 14 years ago, and have expected lives of 12-20 years. The cables were scheduled to be replaced in 1994. Mr. Lim reports that because two of the cables have recently failed, replacement of the remaining two cables will be expedited, subject to standard contracting procedures, with bidding to begin in February 1992.

4. Mr. Lim reports that work to replace Cable 12BATR-1 was completed on January 23, 1992, and the cable returned on-line on January 27, 1992.

5. Mr. Joe Birrer, Associate Electrical Engineer at the Airport and Project Manager for the emergency cable replacement, reports that actual project costs to replace Cable 12BATR-1 are still unknown, but that preliminary figures concerning actual costs indicate that the project has cost approximately $1,050,000, rather than the original $1.3 million which was estimated when the emergency was declared.

The proposed resolution should therefore be amended to reflect a revised estimated cost for the project of $1,050,000.

Recommendation: Amend the proposed resolution to reflect the revised estimated cost to replace the cable at $1,050,000, in lieu of $1,300,000. Approve the proposed resolution, as amended.

Item 1c - File 38-92-4

Department: San Francisco Public Library

Item: Resolution accepting a gift to the San Francisco Public Library of publications from Jossey-Bass, Inc. Publishers valued in excess of $100,000.

Description: Jossey-Bass Inc. Publishers has offered to donate a copy of all of their publications for the next 25 years, beginning in 1992 to the San Francisco Public Library. These materials would be in the form of books, journals and tapes and would include business, education, management, health and public administration.

The proposed resolution would provide the Public Library with the right to replace or discard these materials when they become outdated.

Comments: 1. Mr. Bill Anderson of the Public Library reports that the proposed gift of books, journals and tapes would be valued at approximately $4,000 per year for the next 25 years.

2. Mr. Anderson indicates that any additional cataloguing costs which the Public Library would incur would be absorbed with existing staff. Therefore, Mr. Anderson reports that the Public Library would incur no additional costs for accepting the proposed gift from Jossey-Bass, Inc. Publishers.

Recommendation: Approve the proposed resolution.

Item 1d - File 38-92-5

Department: San Francisco Public Library

Item: Resolution authorizing acceptance of a cash gift to the San Francisco Public Library from the San Francisco Citizens' Inaugural Committee for Mayor-Elect Frank Jordan to assist with books and programs for Children's Literacy.

Amount: $10,000

Description: The proposed cash gift of $10,000 would be used to purchase books and programming for Children's Literacy programs throughout the Public Library.

Comment: Ms. Toni Bernardi, Children Services Coordinator for the Public Library reports that the $10,000 in funds would be used to purchase books and materials to enhance Children's Literacy programs which the Public Library would not otherwise be able to purchase. According to Ms. Bernardi, the Public Library has not yet determined what specific materials would be purchased. Ms. Bernardi also reports that no additional costs would be incurred by the Public Library in connection with acceptance of the gift.

Recommendation: Approve the proposed resolution.

Item 2 - File 101-91-46

Department: Superior Court

Item: Ordinance appropriating funds for Rental of Property and Services of Other Departments - Real Estate Service, Superior Court, for fiscal year 1991-92.

Amount: $146,310

Source of Funds: Temporary Courthouse Construction Fund

Description: The Superior Court is requesting $131,310 for additional tenant improvements to allow handicapped accessibility and $15,000 for services of the Real Estate Department, for a total of $146,310. The $131,310 would allow the Superior Court to complete the construction of three handicapped accessible judges' benches in the leased premises located at 575 Polk Street. Judges benches are the benches where the judge and the witness sit. This project was originally designed in early 1990. The benches, as included in the original design, were to be fully accessible by use of a portable ramp which could be moved from one bench to another as needed. However, the Superior Court has since been advised by the project architect that the portable ramp originally included in the project design is no longer acceptable under the California State Accessibility Standards. According to the California State Accessibility Standards, Ms. Kate Harrison of the Superior Court advises, all three benches must be made accessible through the installation of a lift. The judge's benches have already been constructed to allow room for the portable ramps. The lifts would require a different bench design. Thus, the benches would need to be rebuilt. In addition, existing electrical and telephone outlets for the benches and the court clerk and counsel tables would need to be relocated. As a result of these changes, costs would increase approximately $131,310, as follows:

Purchase of Three Lifts	$44,386
Installation of Lifts	86,924
Total	$131,310

The proposed supplemental appropriation also includes $15,000 for the Superior Court to pay the Real Estate Department additional support costs incurred due to the additions and delays.

Comments:

1. The Temporary Courthouse Construction Fund, comprised of filing fee surcharges, may only be used for the construction or renovation of Court facilities.

2. According to Ms. Harrison, 575 Polk Street was formerly an office building that is being converted to courtrooms for the use of the Superior Court. Because the conversion of the property from offices to courtrooms is for the benefit of the Superior Court and not the landlord, the City and not the landlord would bear the cost of the proposed construction. According to the Real Estate Department, the funds would be appropriated to Rental of Property because, according to the terms of the current lease, the landlord and not the City hires and pays the contractor for any construction work.

3. The contractor for the proposed construction would be Customer Service, Incorporated. Customer Service, Incorporated, has been the contractor at 575 Polk since the inception of the project. Customer Service, Incorporated is not a registered MBE/WBE firm.

4. Although, in general, the Department of Public Works (DPW) oversees construction projects, in this case, because the project is considered tenant improvement work, the Superior Court requested the Real Estate Department to perform project management, Ms. Harrison advises. Since the Real Estate Department was involved in the selection of 575 Polk, including the plan to convert its interior to courtroom space, the Superior Court felt that the Real Estate Department was a more appropriate choice than the DPW for project oversight.

Recommendation: Approve the proposed ordinance.

Item 3 - File 60-92-1

Departments:

Chief Administrative Officer (CAO)
Department of Public Works (DPW)
Department of Parking and Traffic (DPT)
Recreation and Park Department (RPD)
Sheriff's Department

Item:

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, June 2, 1992, for the the purpose of submitting to the voters of the City and County of San Francisco propositions to incur bonded debts for the acquisition, construction, and completion of the following municipal improvements:

Civic Center Plaza and Fulton Street Mall improvements	$26,700,000
Civic Center Heating System	21,220,000
Civic Center Parking Garage additions	24,000,000
Golden Gate Park improvements	76,300,000
Total of proposed bond propositions	$148,220,000

The proposed ordinance states that the estimated cost of the above cited municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the collection of additional taxes to pay for the principal and interest accrued on the bonds. The proposed ordinance further provides for a maximum interest rate on the bonds and that this special election be combined with the General Election to be held on the same day, Tuesday, June 2, 1992.

Description:

The Board of Supervisors previously approved resolutions in January of 1992, which determined the convenience and necessity of the following projects:

Civic Center Plaza and Fulton Street Mall improvements The proposed project would restore the Civic Center Plaza to its original design and complete the Fulton Street Mall.	$26,700,000

Civic Center Heating System The proposed project would reconstruct the Civic Center's 76-year old steam heating system.	21,220,000
Civic Center Parking Garage additions The proposed project would add 370 new spaces to the existing Civic Center Parking Garage.	24,000,000
Golden Gate Park improvements The proposed project would provide for repair, reforestation, and rehabilitation of Golden Gate Park.	76,300,000
Total	$148,220,000

This proposed ordinance would authorize the placement of these proposed bond programs on the June 2, 1992 ballot.

Comments:

1. As specified in the proposed ordinance, if approved by the voters, the bonds shall not bear an interest rate of greater than 12 percent.

2. The City Attorney's Office advises that, according to State Law, this proposed ordinance must be adopted by a two-thirds majority of the Board of Supervisors.

3. To authorize the issuance of the General Obligation Bonds, San Francisco voters must approve these proposed bond programs by a two-thirds majority.

Recommendation: Based on the prior actions of the Board of Supervisors, approve the proposed ordinance.

Item 4 - File 78-92-1

1. The proposed resolution would establish the contribution to be made to the Health Service System by the City and County of San Francisco, the Unified School District and Community College District for fiscal year 1992-93. This would authorize the Health Service Board of the City and County Employees' Health Service System to set the City's (employer) 1992-93 monthly contribution to the Health Service System Fund at $163.27 for each eligible active employee. (The employees' contribution rates are determined after the City's contribution rate is set.)

2. The Health Service Board is required by Charter Sections 8.423 and 8.428 to survey the ten most populous counties in the State, excluding San Francisco, to determine the average amount being contributed toward an employee's medical care insurance exclusive of dental and optical care insurance. The ten surveyed counties include Los Angeles, San Diego, Orange, Santa Clara, San Bernardino, Alameda, Riverside, Sacramento, Contra Costa and Fresno. The survey indicates that the average per employee contribution of these ten counties for 1992-1993 is $163.27 per month, exclusive of dental or optical care, as compared to the City's current contribution of $162.73. The proposed resolution would establish $163.27 as the monthly per employee contribution to be made in 1992-1993 by the City and County, the San Francisco Unified School District and the Community College District. The new rate would represent an increase of approximately .3 percent over the amount currently contributed.

3. The total estimated City and County contribution for active members during 1991-92 is $43.3 million. Based on the current membership in the Health Service System of 22,153 active employees, the approximate total contributions for 1992-1993 would be $43.4 million, including an estimated $28.9 million in General Fund monies. The contribution increase authorized by this resolution would thus amount to approximately $100,000 in additional annual expenditures.

4. Pursuant to Charter Section 8.428(c), retired employees and surviving spouses of active or retired employees must make monthly contributions to the Health Service System which are equal to those of active members, with the exception that the total contributions required from retired employees who are also covered under Medicare must be reduced by an amount equal to the amount contributed monthly by such persons to Medicare. In connection with this latter provision the City, the Unified School District and the Community College District must contribute funds sufficient to defray the difference in cost to the Health Service System in providing the same health coverage to retired employees and the surviving spouses of active or retired employees, as is provided for active employee members. The estimated City contribution for a total of 10,760 retired employees and surviving spouses for 1991-92 is $16,350,850, of which $11,010,038 is General Fund monies. As of the writing of this report, Mr. Randall Smith of the Health Service System was unable to provide an estimate of the City's contribution for 1992-93, for retired employees and surviving spouses.

Comments

1. The City contribution for health care in 1992-1993 is equal to the average contributed by the other ten most populous counties in the State during 1991-92. As a result, given the likelihood that the counties used for comparison will increase their contributions in 1992-1993, the City contribution will in fact be less than the average actual coverage provided by those ten counties. However, because the Health Service System is required by the Charter to collect the comparative data before January of each year, the System could not set its 1992-1993 rates based on the actual 1992-1993 rates of other jurisdictions.

2. The Health Service System indicates that the ten surveyed counties contributed an average of $254.46 per month for an employee and one dependent and an average of $305.23 per month for an employee and two or more dependents. However, San Francisco does not contribute anything for dependent health care coverage.

Recommendation

Approve the proposed resolution.

Item 5 - File 146-92-3

Department: Department of Public Health, Community Public Health Services Division, Bureau of Family Health

Item: Resolution rescinding Resolution No. 453-91 and Resolution 917-91, and authorizing the Department of Public Health, Community Public Health Services, Family Health Bureau to accept and expend a grant from the California Department of Health Services, Office of Family Planning, in the amount of $1,206,415 for family planning services, providing for ratification of action previously taken, for a grant period of July 1, 1991 to June 30, 1994; waiving indirect costs, and granting the Director of Health authority to sign any subsequent amendments up to $1,500,000 during the contract period.

Grant Amount: $1,206,415

Grant Period: July 1, 1991 - June 30, 1994

Source of Funds: California Department of Health Services

Project: Family Planning Services

Description: The proposed continuation grant would be used to continue providing family planning, pregnancy testing, and infertility services to low-income residents of San Francisco. The proposed resolution would provide the necessary authorization for the Department of Public Health (DPH) to accept and expend proposed grant funds of $1,206,415 over a period of three years, from July 1, 1991 through June 30, 1994.

The Board of Supervisors has previously approved several resolutions concerning the proposed grant. DPH received authorization to apply for the grant, which was expected to be a one-year grant in the amount of $350,600, on February 5, 1991. On June 4, 1991, the Board of Supervisors authorized DPH to accept and expend the grant funds of $350,600, placing $67,000 on reserve (Resolution No. 453-91). On October 9, 1991, the Board of Supervisors authorized DPH to accept and expend an augmentation to this grant in the amount of $61,795 (Resolution No. 917-91).

The term and the amount of the proposed grant have been the subjects of continuing discussion between the Department of Public Health and the State Office of Family Planning. The California Department of Health Services formally awarded the grant in the form of a three-year contract for the period July 1, 1991 to June 30, 1994, in the amount of $1,050,000, based on constant funding over three years in the amount of $350,000 per year.

The State Department of Health Services has now informed DPH that the grant amount over the three-year period is $1,206,415, rather than $1,050,000. The proposed resolution would rescind the two previous "accept and expend" resolutions in the amounts of $350,600 and $61,795, authorize DPH to accept and expend grant funds in the total amount of $1,206,415 over a three year period, and authorize the Director of Public Health to sign any subsequent amendments to the State contract to increase the level of grant funding up to $1,500,000, which is over 24 percent, or $293,585 more than the proposed grant funds.

Grant Budget:

Personnel	FTE	Annual Budget	3-Year Budget
2320 Clinic Nurse	1.80	$96,408	$289,224
2587 Health Worker III	2.29	73,439	220,317
2588 Health Worker IV	0.80	16,240	48,720
2328 Nurse Practitioner	0.55	29,609	88,827
1842 Management Assistant	0.20	7,644	22,932
Total		$223,340	$670,020
Fringe Benefits (27%)		60,301	180,903
Subtotals	5.64	283,641	850,923
Per Diem Nurses	1.00	26,359	79,077
Total Personnel	6.64	$310,000	$930,000*
Operating Expenses			154,820
Contractual Services			126,495
Travel			6,000
Administrative (indirect) costs			9,100
Total Estimated Expense			$1,226,415
Total Grant Budget			$1,206,415 *

* See Comment No. 2

Required Match: None

No. of Persons Served: The Family Planning Services program of the Bureau of Family Health expects to provide services for 6,716 unduplicated clients who will make approximately 13,100 patient visits in calendar year 1992.

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Indirect Costs: It is the policy of the California Department of Health Services not to pay indirect costs, but the agency will award approximately one percent of personnel costs (equaling $9,100) to defray administrative expenses.

Comments: 1. Mr. Stephen Purser of the Bureau of Family Health indicates that further amendments to the proposed grant are likely, to further augment the grant amount because the Governor has expressed an intention to increase State funding of family planning services in coming years. It is for this reason, according to Mr. Purser, that DPH seeks authorization from the Board of Supervisors for the Director of Public Health to sign subsequent amendments up to $1,500,000 during the grant period without subsequent approval of the Board of Supervisors. Mr. Purser reports that the $1,500,000 ceiling, which as previously noted, is over 24 percent more than the proposed grant amount, was recommended by Ms. Paula Jesson, Deputy City Attorney.

2. Mr. Purser indicates that the grant budget is based on estimated expenditures for the 1991-92 fiscal year, and does not include estimated increases in the cost of budget items, including salaries over the three year-term of the proposed revised grant amount. Mr. Purser reports that budget estimates for future fiscal years are difficult to determine precisely, and that expected increases in the amount of State funding during the grant term will probably suffice to pay additional expenses such as cost-of-living salary increases.

The grant budget presented above reflects salary expenditures over three years of $930,000 based on the first year funding levels for salaries. The three year salary cost of $930,000 exceeds the personnel budget of $910,000 presented to the State, and therefore results in estimated total expenditures over three years which are $20,000 higher than the amount of the grant award. Mr. Purser explains that this discrepancy is also expected to be resolved through increases in the level of State funding after the first year. In the event that sufficient funds are not available, Mr. Purser notes that adjustments in staffing levels would be made, but Mr. Purser believes this scenario is unlikely in view of the expected increases in State funding in later years.

3. Operating expenses of $154,820 over the three-year grant period (an average of $51,607 per year) will consist of contraceptives and medications for clients receiving family planning services. Mr. Purser indicates that these expenses will include payments for the Norplant skin patch, recently approved by the Food and Drug Administration (FDA), which

is reported by Mr. Purser to be a highly convenient and very effective new contraceptive.

4. Contractual services are estimated at $126,495 over three years (an average of $42,165 per year). These funds will primarily pay for cytology and pharmacy services. Mr. Purser indicates that approximately $5,000 per year of these funds will be available to pay for consultants' services as necessary, including services such as outside medical consultations.

5. It is the policy of the California Department of Health Services not to include indirect costs in the grant award, and the title of the proposed resolution therefore reflects that indirect costs are waived. However, as previously noted, the State will award one percent of personnel costs to offset administrative expenses. Mr. Purser indicates that this payment for administrative expenses will be provided to the City in the same manner as payments for indirect costs. The body of the proposed resolution should be amended to reflect that indirect costs are waived, as stated in the title.

6. The proposed resolution is retroactive to July 1, 1991, and will rescind previous resolutions which authorized the acceptance and expenditure of grant funds for fiscal year 1991-92. Since acceptance and expenditure of grant funds in the amounts of $350,600 and $61,795 have been authorized by two previous resolutions of the Board of Supervisors, DPH has not experienced a lapse of funding under this grant program.

Recommendations: 1. Amend the body of the proposed resolution to waive indirect costs.

2. The Budget Analyst recommends disapproval of the provision of the proposed resolution which would authorize the Director of Public Health to sign subsequent amendments to this grant up to $1.5 million, or more than 24 percent of the proposed grant, without subsequent approval of the Board of Supervisors. The Budget Analyst recommends approval of the other provisions of the proposed resolution.

Item 6 - File 101-91-10.3

Department: Department of Public Health (DPH), Community Public Health Services (CPHS)

Item: Release of reserved funds for contractual services to provide educational and support services to pregnant and postpartum African-American women and infants for the Black Infant Health Improvement Project

Amount: $114,000

Source of Funds: State Department of Health Services, Maternal Child Health Branch

Description: The Board of Supervisors previously approved legislation authorizing the DPH to accept and expend a State grant in the amount of $214,284, for the period January 1, 1991 through June 30, 1993 (2.5 years), to fund the Black Infant Health Improvement Project (File 146-91-10). At the same time, the Board of Supervisors placed $114,000 of the $214,284, on reserve pending the DPH's identification of a specific contractor to establish and run the Community Support Center for the Black Infant Health Improvement Project. The Center would provide educational and support services to 350 African-American pregnant and post-partum women and their infants residing in the Bayview Hunters Point/Visitacion Valley Districts of the City.

The DPH reports that CAHEED Day Care Center has been selected, on a sole source basis, to provide the Community Support Center Services. CAHEED is a non-profit organization based in the Bayview Hunters Point District. According to DPH, CAHEED is the only such facility providing day care to infants in this area of the City. The DPH would contract with CAHEED for the period February 1, 1992 to June 30, 1992, in the amount of $50,000, and for the period July 1, 1992 to June 30, 1993 in the amount of $66,000, for a total amount of $116,000 (see Comment 1 below). The DPH would reimburse CAHEED on the basis of a line item budget. As of the writing of this report, the DPH did not have a detailed budget for the $66,000 for the July 1, 1992 to June 30, 1993 contract period. The detailed budget for the February 1, 1992 to June 30, 1992 contract period, is as follows:

Personnel		
Salaries (2.4 FTE)	$20,841	
Fringe Benefits	3,752	
Subtotal		$24,593

Operating Expenses		
Travel	$3,720	
Consultant Services	7,200	
Materials, Supplies and Incidental Furnishings	6,000	
Utilities/Telephone	6,038	
Training	2,449	
Subtotal		$25,407
Total		$50,000

Comments: 1. As noted above, the DPH would contract with CAHEED for a total of $116,000, which is $2,000 more than the $114,000 which was placed on reserve. Ms. Virginia Smyly of the DPH reports that subsequent to DPH's receipt of the original grant amount of $214,284 for the Black Infant Health Improvement Project, the State allocated an additional grant augmentation for this Project in the amount of $175,000, for the same grant period of January 1, 1991 to June 30, 1993 (File 146-91-10.1). Ms. Smyly advises that the additional $2,000 required for the CAHEED contract will be paid for by the State grant augmentation.

2. The DPH, as previously noted, is unable to provide a detailed budget, at this time, for the July 1, 1992 to June 30, 1993 contract period. As such, $64,000 of the $114,000 should continue to be reserved pending the DPH's provision of a detailed budget for these monies.

Recommendation: Release $50,000 of the $114,000, which was placed on reserve, and continue to reserve $64,000.

Item 7 - File 172-91-21

Note: This item was continued from the Finance Committee meeting of January 22, 1992.

The proposed resolution would designate 72-hour evaluation and 14-day intensive treatment facilities pursuant to Welfare and Institutions Code 5150 and 5250 et. seq., and would specify the responsibilities of such facilities as specified by the Department of Public Health, Division of Mental Health, Substance Abuse and Forensic Services. The authorized facilities are: Langley Porter Psychiatric Institute at UCSF, San Francisco General Hospital, St. Mary's Hospital and Medical Center, Pacific Presbyterian Medical Center, St. Francis Memorial Hospital, Mt. Zion Hospital and Medical Center, and St. Luke's Hospital.

The proposed resolution would authorize agreements between the Department of Public Health, Division of Mental Health, Substance Abuse and Forensic Services (DMSF) and each of the facilities to ensure the facilities' compliance with California law and the San Francisco County Mental Health Plan regarding the provision of inpatient psychiatric services. The San Francisco County Mental Health Plan provides definitions and guidelines which clarify or supplement the State's legal requirements, according to Dr. Carmen Carrillo, Director of Adult Acute Services for DMSF. DMSF has already entered into agreements for participation with each of the facilities for the period July 1, 1991 to June 30, 1994.

The agreements between DMSF and each of the facilities serve to 1) identify the responsibilities of the designated hospitals in serving individuals who require acute inpatient care, 2) outline planning efforts of the DMSF to provide necessary services pursuant to the California Administrative Code and the San Francisco County Mental Plan, and 3) specify how DMSF will work with the designated facilities to provide required services. Copies of these agreements are on file with the Clerk of the Board.

The facilities' obligations under these agreements include maintaining 24-hour admission, evaluation, and treatment capability, providing timely evaluation of admitted patients by a psychiatrist, complying with provisions of California law respecting patients' rights, participating in regular DMSF program reviews, providing representation to a County-wide committee organized by DMSF to monitor hospital-related issues such as quality assurance, length of stay, and coordination of services, and cooperating with DMSF in developing appropriate discharge and outpatient treatment plans.

The agreements reached between DMSF and each of the facilities state that "no payment by San Francisco City and County will be made to said facilities for implementation of the terms of this agreement."

According to Dr. Carrillo, these agreements do not obligate the City to pay for any services provided by the hospitals, and any costs to be paid by the City and County for services provided by these hospitals would be in accordance with separate agreements between the City and County and the individual hospitals.

Comments

1. According to Dr. Carrillo, the designation of these facilities by the proposed resolution allows Federal and State reimbursements for the care provided by the hospitals and authorizes staff within these hospitals to provide care which is reimbursable from the State and Federal governments to these hospitals. These reimbursements had previously been made by the County using funds made available by the State and Federal governments under the Short Doyle Act. However, the realignment package approved by the California Legislature in 1991 eliminated reimbursements under the Short Doyle Act, effective July 1, 1991. According to Ms. Susan Ehrlich, Director of Budget and Planning for the Department of Public Health, reimbursements to the designated facilities for costs of providing the specified inpatient psychiatric services will continue to be made by the County, but will instead be funded by the realignment revenues received from the State.

2. According to Ms. Florence Stroud, Deputy Director of Health for Mental Health, Substance Abuse and Forensic Services, the agreements reached between DMSF and each of these facilities are identical to those which have been authorized and approved in previous years, except that the effective dates for the proposed designations and the term of the agreements have been extended to cover a three-year period. Previous designations of authorized facilities have been approved on an annual basis. Ms. Stroud expects the agreements to remain unchanged through June 30, 1994, and explains that the longer period will reduce the administrative impact of the facility designation and agreement approval process.

According to Ms. Paula Jesson, Deputy City Attorney, no provisions of State law have been found which would prohibit San Francisco County from designating the facilities for more than one year.

3. Kaiser Permanente and Seton Medical Center have been removed as designated facilities for the period July 1, 1991 through June 30, 1994. Kaiser Permanente had asked to be included for the period July 1, 1990 through June 30, 1991 because of plans to provide psychiatric services at French Hospital which have been abandoned, according to Dr. Carrillo. Seton Medical Center had similarly requested the designation for FY 1990-91 due to an influx of psychiatric outpatients at the Medical Center, but according to Dr. Carrillo, the situation has changed at Seton, and Seton Medical Center has not renewed its request for designation nor participated in County-wide planning activities for the provision of inpatient psychiatric services.

4. Pacific Presbyterian Medical Center is now part of California Pacific Medical Center, which was created through a merger with Children's Hospital. Dr. Carrillo confirms that this Hospital is properly referred to as California Pacific Medical Center. Therefore, the proposed resolution should be amended on line 6 and lines 20-21 to reflect this change of name.

5. As previously noted, DMSF has already entered into agreements with these facilities for the period July 1, 1991 through June 30, 1994. The title and the body of the proposed resolution should therefore be amended to include ratification of actions previously taken.

6. The proposed resolution authorizes agreements between DMSF and each of the facilities to ensure the facilities' compliance with California law and the San Francisco County Mental Health Plan regarding the provision of inpatient psychiatric services. The title of the proposed resolution omits any reference to authorization of such agreements. The title of the proposed resolution should therefore be amended to reflect that the resolution will authorize agreements between DMSF and the designated facilities, as stated in the text. The language of the title which has been recommended by Ms. Jesson is as follows:

> Designating Langley Porter Psychiatric Institute, San Francisco General Hospital, St. Mary's Hospital and Medical Center, California Pacific Medical Center, St. Francis Memorial Hospital, Mt. Zion Hospital and Medical Center, and St. Luke's Hospital as 72-hour evaluation and 14-day intensive treatment facilities pursuant to Welfare and Institutions Code Sections 5150 and 5250, effective July 1, 1991, and authorizing the Director of Mental Health to enter into agreements with said facilities.

7. Ms. Jesson indicates that the California Administrative Code cited in the proposed resolution has been replaced by the California Code of Regulations. In light of changes in the law and regulations, Ms. Jesson indicates that the body of the proposed resolution following the title should be amended to read as follows:

> WHEREAS, Welfare and Institutions Code Sections 5150 and 5250 authorize counties to designate facilities to provide 72-hour evaluation and 14-day intensive treatment to persons in need of mental health services; and
>
> WHEREAS, These statutes, as well as Section 821 of Title 9 of the California Code of Regulations, require in addition that such facilities be approved by the State Department of Mental Health; and

> WHEREAS, The San Francisco Division of Mental Health, Substance Abuse and Forensic Services has developed an agreement for these facilities; now, therefore, be it...

Recommendations

1. Amend the title and the body of the proposed resolution on lines 1-17 to adopt the language provided by the Office of the City Attorney, as contained in Comment Nos. 6 and 7 above.

2. Amend the title and the body of the proposed resolution to ratify actions previously taken.

3. Amend the proposed resolution on lines 20-21 to reflect the change of name of Pacific Presbyterian Medical Center to California Pacific Medical Center.

4. Approve the proposed resolution as amended.

Item 8 - File 68-92-1

Note: This item was continued by the Finance Committee at its meeting of January 29, 1992.

Department: Mayor's Office of Public Safety

Item: Resolution amending Resolution 931-91, which amended Resolution No. 116-91, to authorize the Mayor to accept and expend, retroactive to January 1, 1992, an additional $524,997 for the Community Partnership Program, for a total of $1,224,997, with $28,809 to be provided for indirect costs.

Grant Amount: $524,997

Source of Grant: Federal Office for Substance Abuse Prevention (OSAP)

Grant Period: January 1, 1992 to December 31, 1992

Project: Community Partnership Program

Description: The Community Partnership Program (CPP) is a City-wide, multi-disciplinary, comprehensive, neighborhood and youth-oriented substance abuse prevention program which began in October 1990 through funding provided by the Federal Office of Substance Abuse Prevention (OSAP). OSAP will provide $1,224,997 in Federal fiscal year 1991-92.

The Community Partnership Program emerged from the planning and program implementation efforts of the Mayor's Drug Symposium Task Force, comprised of representatives from community-based organizations, the business community, treatment providers, tenant associations, and youth. An initial grant of $500,000, which was later increased to $721,186, funded the program through December 31, 1991.

The eight San Francisco neighborhoods targeted by CPP were identified by the Mayor's Drug Symposium Task Force as priority and/or previously underserved areas of the City where drug and alcohol prevention activities should be enhanced. Those areas include the Western Addition, the Tenderloin, Potrero Hill, the Mission District, Bayview Hunters Point, Visitacion Valley/Sunnydale, Oceanview-Merced-Ingleside, and Chinatown.

A supplemental grant of $700,000 from OSAP in late 1991 provided additional funds for a related program, entitled "Neighborhoods in Transition - A Multicultural Partnership" (NIT-AMP). NIT-AMP was designed to serve nine additional areas of the City identified as being in transition, with increasing problems of poverty and drug abuse. The additional funding was based on a grant proposal originally submitted to OSAP by the Japanese Community Youth Council (JCYC). OSAP agreed to fund the JCYC proposal by augmenting the original grant to the Mayor's Office. The Mayor's Office agreed to subcontract with JCYC for the NIT-AMP component of the program. The $700,000 in additional grant funds provided $600,000 for JCYC contractual services, and $100,000 to the Mayor's Office to coordinate NIT-AMP with the existing CPP program.

The proposed resolution authorizes the Mayor to accept and expend, retroactive to January 1, 1992, an additional $524,997 for the Mayor's Community Partnership Program. These funds would finance the program during the period January 1, 1992 through December 31, 1992. When Federal funding of $700,000 for the NIT-AMP component for the period September 1991 through September 1992 is included, the total funding provided for both components will be $1,224,997.

The $524,997 allocation to the Mayor's Office will fund CPP programs and services provided by the City to the eight original neighborhoods targeted as high priority areas. Program elements include an ongoing training program for neighborhood residents which imparts organizing strategies for substance abuse intervention, a Neighborhood Empowerment Program (NEP) which funds an array of drug prevention initiatives conducted by approximately 17 community-based organizations, youth stipends to encourage youth participation and leadership development, and public education and workshops.

Project Budget: MAYOR'S OFFICE - Community Partnership Program

Personnel		
Principal Investigator (.20)	$10,200	
Partnership Project Director	46,581	
Empowerment Coordinator	45,188	
Youth Coordinator	41,000	
Epidemiologist	42,900	
Senior Management Assistant	41,800	
Benefits		
Fringe Benefits (approx. 13%)	33,334	
Total Personnel		$261,003
Travel		5,000

Supplies		$24,933
Audit		5,000
Contractual		
Empowerment Fund		$160,000
Training Cost		40,252
Total Direct Cost		$496,188
Indirect Cost		28,809
Total Budget for Mayor's Office - Community Partnership Program		$524,997
NIT-AMP Program Budget		
Neighborhood In Transition Fund	600,000	
Mayor's Office Reserve	100,000	
		700,000
Total Grant Amount		$1,224,997

Required Match: None

Comments: 1. The proposed resolution refers to the following prior resolutions of the Board of Supervisors concerning funding for the Community Partnership Program:

Resolution 858-90, adopted October 22, 1990, authorized the Mayor to apply for, accept, and expend $500,000 for the Community Partnership Program for the period October 1, 1990 through September 30, 1991.

Resolution 116-91, adopted on or about January 30, 1991, amended Resolution 858-90 by increasing the amount the Mayor was authorized to apply for, accept, and expend for the CPP from $500,000 to $721,186. In addition, the resolution extended the grant period by three additional months, and placed $237,530 of the grant funds on reserve. The grant period was thereby extended from October 1, 1991 to December 31, 1991.

Resolution 931-91, adopted October 15, 1991, amended Resolution 116-91 by authorizing the Mayor to apply for, accept, and expend additional funds in the amount of $700,000 in order to fund the NIT-AMP program of the Japanese Community Youth Council for one year, and to provide funding to the Mayor's Office to coordinate the new NIT-AMP program with the existing CPP. The one-year period of the supplemental grant was to commence upon receipt of the funds.

The proposed resolution would amend resolution 931-91 to authorize the Mayor to accept and expend, retroactive to January 1, 1992, an additional $524,997, for a total of $1,224,997, with $28,809 to be provided for indirect costs.

2. According to Ms. Sandy Bonilla, Project Director for the Community Partnership Program in the Mayor's Office, the Federal Office of Substance Abuse Prevention provides funding for the Community Partnership Program of the Mayor's Office and for the NIT-AMP program of the Japanese Community Youth Council as a single Federal grant. This grant is conditioned on the understanding that the Mayor's Office will subcontract with JCYC to provide services in those neighborhoods designated as part of the NIT-AMP program.

Ms. Bonilla reports that OSAP has indicated its intention to fund the Community Partnership Program for a five year period, which began October 1, 1990, but that an application for continued funding must be submitted annually. The additional $524,997 to be accepted and expended if the proposed resolution is approved will not require a new application, but will supplement funds applied for pursuant to Resolution No. 931-91.

3. Ms. Bonilla indicates that all OSAP grant funds are deposited with the City. The Japanese Community Youth Council is reimbursed for NIT-AMP program expenses on a monthly basis.

4. The budget submitted by the Mayor's Office includes average fringe benefits of only 13 percent of salary because appointed officials in the Mayor's Office receive fewer benefits than Civil Service employees. Ms. Bonilla indicates that fringe benefits were calculated with the assistance of the Controller's Office using the different formulae.

Supplies included in the budget include public education materials, neighborhood workshops, and conferences. These activities are integral to the creation of community partnerships and linkages across neighborhoods to address common drug intervention problems and strategies. These activities primarily require the purchase of audio-visual aides, printed materials, and other communication tools.

OSAP requires the attendance of program and evaluation staff at an annual conference in Washington, D.C., and the budget therefore includes $5,000 for travel. OSAP also requires that an audit be conducted to monitor the expenditure of these grant funds. Ms. Bonilla indicates that this $5,000 budgeted service will be contracted to a private firm, but that bidding has not commenced.

Contractual services consist of a $160,000 Empowerment Fund. This $160,000 will be awarded to community-based organizations who will apply for funding to provide neighborhood empowerment programs in the eight neighborhoods targeted by CPP. "Neighborhood Empowerment" refers to community based initiatives to develop networks and strategies for drug intervention efforts by neighborhood residents. These agencies have not yet been identified, and applications have not yet been invited for the current grant period. These funds in the amount of $160,000 should therefore be placed on reserve pending the identification of the neighborhood programs to be funded.

Training costs ($40,252) will be expended for youth leadership development and peer counseling activities.

Indirect costs are allowed by OSAP as 5.2 percent of the program funds ($524,997) to be allocated to the Mayor's Office. Under this formula, indirect costs should be $27,300, when in fact they are given as $28,809, an over-estimate of $1,509. Ms. Bonilla indicates, however, that the budget has been approved by OSAP, including $28,809 in indirect costs.

The proposed grant amount of $524,997 augments the previous award of $700,000 for the NIT-AMP program, for a total grant of $1,224,997.

NIT-AMP funding includes the $600,000 Neighborhood in Transition Fund for direct services by the Japanese Community Youth Council, and $100,000 for the Mayor's Office to coordinate NIT-AMP with its own activities. These funds (a total of $700,000) were the subject of Resolution No. 931-91 previously approved by the Board of Supervisors. According to Ms. Bonilla, the $100,000 allocated to the Mayor's Office to coordinate its activities with those of NIT-AMP is in a reserve fund, separate from the $524,997 budget of the Mayor's Office for Community Partnership Program services.The Neighborhood in Transition Fund is for Community Partnership Program activities conducted by the non-profit Japanese Community Youth Center in the following nine neighborhoods identified as being in transition due to increasing problems of substance abuse:

South of Market, Haight Ashbury, Sunset, Richmond, Hayes Valley, Japantown, North Beach, Bernal Heights, and Diamond Heights. These areas were not included in the Community Partnership Program when it was first organized through the Mayor's Office of Public Safety in October, 1990.

5. Attached is the Summary of Grant Request prepared for the amount of the additional appropriation ($524,997). Also attached is the Summary of Grant Request submitted by the Mayor's Office in October 1991 concerning the original grant amount of $700,000.

6. No disability access checklists have been submitted by the Mayor's Office of Public Safety. In late January, 1992 the Office was re-located from City Hall to 10 United Nations Plaza. Ms. Bonilla indicates that while a disability access checklist was prepared for the Mayor's Office of Public Safety in City Hall, she does not know the status of the checklist for the new location at 10 United Nations Plaza. She indicates further that disability checklists were prepared for the community based agencies that received funding through the Empowerment Fund in 1991, but that these checklists are inaccessible at the present time in light of the relocation, and will be submitted to the Clerk of the Board as soon as possible. As noted above, the community based agencies that will receive funding through the Empowerment Fund in 1992 have not yet been identified.

Recommendations: 1. Amend the proposed resolution to place $160,000 for the Neighborhood Empowerment Program on reserve pending the identification by the Mayor's Office of the community-based organizations to be funded through this program.

2. Approval of the proposed resolution in the absence of the disability access checklists is a policy matter for the Board of Supervisors.

Grantor [illegible].Substance Abuse Prevention
Contact Person Nancy J. McGennis
Address 5600 Fisher Lane, Room 13C-20
Rockville, Maryland 20857
Amount Requested $ $524,977.
Term: From 10/1/91 To 11/30/92

Division
Section Public Safety Office
Contact Person Sandy M. Bonilla
Telephone 554-8990
Application Deadline
Notification Expected
Board of Supervisors: Finance Committee
Full Board

I. Item Description: (Circle appropriate words) Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $ 524,977 from the period of ______ to ______ to provide Training, Technical Assistance, Leadership Dev. services.

II. Summary: (Community, need addressed, number served, services and providers)

This grant will support S.F. in implementing a community-wide multidisciplinar comprehensive, neighborhood and youth oriented action planning process to add the city's serious alcohol and drug abuse problems. The project is designed a a planning process and coordinating activity for enhancing, promoting, and imp local substance abuse prevention efforts by cultivating the establishment of community support groups and strenghtening individual selfhelp activities.

III. Outcomes/Objectives:

1.) Organize drug prevention initiatives & convene neighborhood drug prevention Councils 2.) Create at least 12 grassroots community based self help groups. 3.) Empower 250 parents and 50 youth to assist in drug prevention activities. 4.) Retrain individuals in emerging drug problems. 5.) Establish a Youth Council in 7 neighborhoods & 5 housing projects.

IV. Effects of Reduction or Termination of These Funds:

Would reduce or terminate planned efforts.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			$524,997.			
Personnel			261,003.			
Equipment			-0-			
*Contract Svc.			160,000.			
Mat. & Supp.			24,933.			
~~Facilities/Space~~	TRAINING	COST	40,252.			
Other TRAVEL/AUDIT			10,000.			
Indirect Costs			28,809.			
VI. Data Processing (costs included above)	n/a					
VII. Personnel						
F/T CSC		5				
P/T CSC		1				
Contractual						

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
CSC EMPLOYEE'S - DEPARTMENT BUDGET

Will grant funded employees be retained after this grant terminates? If so, How?

***VIII. Contractual Services:** Open Bid ______ Sole Source ______ (If sole source, attach Request for Exemption Form)

No. MAYOR'S OFFICE — **Summary of Grant Request** Rev. 4/10/90

Grantor Federal Office of Substance Abuse Prev.
Contact Person Nancy J. McGannis
Address 5600 Fishers Lane, Rm 13C-20
Rockville, Maryland 20857
Amount Requested $ 700,000.00
Term: From 10/31/91 To 11/01/92
Health Commission ______

Division MAYOR
Section Public Safety Office
Contact Person Sandy Bonilla
Telephone 415-554-6554
Application Deadline ______
Notification Expected 10/31/91
Board of Supervisors: Finance Committee ______
Full Board ______

I. Item Description: (Circle appropriate words)
Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $ 700,000. from the period of 10/31/91 to 11/01/92 to provide Training, technical assistance, leadership development services

II. Summary: ([illegible])

This grant supplement to the S.F. Community Partnership will support S.F. in implementing a Ci
wide multi disciplinary, comprehensive, neighborhood and youth oriented action planning process
to address the city's serious alcohol and drug problem. The supplement to the S.F. Comm.Part.wi
cover niwe neighborhoods. (see attached)

III. Outcomes/Objectives:

Organize drug prevention initiatives & convene neighborhood drug prevention council 2.)
reate at least 12 grassroots community based self help groups 3) empower parents and youth to as
n drug prevention activities 4) establish a youth council 5)develop a coordinated system to sust
revention & intervention needs 6)increase the assessibility of services 7)promote a drug free wo
place

IV. Effects of Reduction or Termination of These Funds:

Would reduce or terminate planned efforts.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			700,000.00			
Personnel			363,690.00			
Equipment			14,400.00			
*Contract Svc.			57,750.00			
Mat. & Supp.			22,000.00			
Facilities/Space			–			
Other			162,160.00			
Indirect Costs			80,000.00			

VI. Data Processing ([illegible])

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved by
Data Processing	N/A					

VII. Personnel

	Col. A	Col. B	Col. C	Col. D	Req. Match
F/T CSC		5			
P/T CSC		1			
Contractual					

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
CSC Employee's - Department's Budget

Will grant funded employees be retained after this grant terminates? If so, How?

*VIII. Contractual Services: Open Bid ______ Sole Source ______ (If sole source, attach Request for Exemption Form)

Item 9 - File 147-92-1

Department:	San Francisco Public Library
Item:	Resolution authorizing the City Librarian to apply for, accept and expend an amount not to exceed $24,344 of California State Library funds for a resource enhancement program.
Grant Amount:	$24,344
Grant Period:	July 1, 1991 - June 30, 1992
Source of Funds:	California State Library/California Literacy Service Act (CLSA) Funds
Project:	Project Read
Description:	Project Read is the adult literacy program of the San Francisco Public Library. The program offers free confidential tutoring by trained volunteers to English-speaking adults who lack basic reading and writing skills.

The proposed grant funds would be used to contract with Friends of the San Francisco Public Library, a non-profit organization, which would use the funds to coordinate support services for tutors and students, to identify and compile library materials for use in the tutoring program, and to enhance communication and information management systems for Project Read.

Budget:

	FTE	Amount	
Personnel			
Support Services Coordinator	.25	$7,000	
Fringe Benefits (14.3%)		1,000	
Total Personnel			$8,000
Contract Services			
Survey Consultant (75 hours)		2,590	
Collection Consultant (125 hours)		2,500	
Temporary Clerical Support (50-90 hours)		910	
Total Contract Services			6,000

	Amount	
Equipment		
File Share Network System	$2,500	
Laser Printer	2,500	
Total Equipment		$5,000
Library Materials		4,127
Indirect Costs (5% of available grant funds)		1,217
Total Grant Budget		$24,344

Required Match: $189,174 in literacy funds from other sources (see Comment No. 3 below).

No. of Persons Served: Approximately 300 students and 300 tutors annually.

Indirect Costs: $1,217, based on 5 percent of available grant funds

Comments: 1. The grant will fund a sole-source contract with Friends of the San Francisco Public Library, a non-profit organization, in support of Project Read. The Friends of the San Francisco Library established Project Read in 1983, according to Ms. Ana Linder of the San Francisco Public Library.

2. As noted above, the proposed grant budget would include five percent of the total grant award, or $1,217, for use as indirect costs to the City and County. Therefore, the title of the proposed resolution should be amended to indicate that indirect costs in the amount of $1,217, or five percent of the total grant award, would be included in the grant. The body of the proposed resolution already indicates that the grant includes five percent for indirect costs.

3. Ms. Linder indicates that the amount of the grant funds is based on Project Read's total literacy budget from other sources. Grant funds of $24,344 are available based on Project Read's budget of $189,174. The $189,174 in other funds consists of $87,190 from the City and County of San Francisco, $55,984 from Federal grants, $40,000 in private donations, and $6,000 in tutor training fees.

Ms. Linder estimated the City's $87,190 in-kind match from the 1991-92 budget of the Public Library by estimating a percentage of the Library's total budget for salaries, fringe benefits, supplies, printing, and telephone costs that are expended for Project Read. The estimate was necessary to certify to the California State Library the total funding from other sources for matching purposes.

4. The grant funds will be used by the Friends of the San Francisco Public Library for 25% support of the position of Support Services Coordinator. The Friends will also contract for a consultant's survey of tutors and students concerning materials they would find useful, and for a collection consultant to identify, select, purchase, and process the new library materials. According to the grant application materials, Project Read has not updated its library materials since 1985. The Friends may also contract for temporary clerical support. The grant funds would also support the purchase (see Comment No. 5) of a file share computer hardware system to speed the operation of the three Project Read computers which were recently networked, and the purchase of a laser printer in support of the project's extensive communication functions. Project Read regularly prepares and disseminates information to several hundred individuals concerning its training sessions, continuing education classes, student support services, and fund-raising events.

5. According to Ms. Linder, the file share system and the laser printer have already been procured through the purchasing function of the Microcomputer Support unit of the Public Library. Mr. Steven Loo of the Microcomputer Support unit reports that approval of the Electronic Information Processing Steering Committee (EIPSC) was not obtained prior to acquisition of the laser printer and file share equipment because the invoice for the equipment will be paid by the Friends of the San Francisco Public Library.

Ms. Linder explains that the Friends of the San Francisco Public Library is a fiscal agent for the receipt of State and Federal grants for Project Read, and for receipt of the many private donations made each year to the Public Library. She reports that the Friends of the San Francisco Public Library maintains a reserve fund for monies received on behalf of the Public Library, and that the non-profit organization lacks the authority to expend these funds except with authorization from the Public Library. She reports that the Friends of the San Francisco Public Library will remit payment for the computer equipment from the reserve fund pending receipt of the CLSA grant funds, which will be deposited into the same fund.

According to Ms. Linder, ownership of the computer equipment will belong to Project Read, which is a program of the San Francisco Public Library.

Ms. Deborah Vincent-James of EIPSC reports that approval of this equipment by EIPSC is not necessary when grant funds received directly by a non-profit organization are used to purchase equipment which is donated to the City. But Ms. Vincent-James notes that an opinion from the City Attorney would be necessary to determine whether EIPSC approval is needed when grant funds are received by the City and County for services contracted to a non-profit organization and expended by the non-profit organization for computer equipment which belongs to the City, as in this instance.

San Francisco Administrative Code Section 3.015(a)(ii) states that one purpose of the EIPSC is to "set policy and priorities for the acquisition of electronic information processing hardware and software..." but this section does not specify by whom the equipment must be acquired to fall within the purview of the statute. "Acquisition" is defined as the "purchase, lease, or rental" of electronic information processing resources.

Section 3.018(a) of the Administrative Code states that "no funds shall be appropriated for electronic information processing resources unless the proposed appropriation has been submitted to and reported on by the Steering Committee." The Administrative Code defines "electronic information processing resources" to include "all hardware, software, personnel, and contractual service costs related to electronic information processing systems."

6. The grant period is July 1, 1991 through June 30, 1992. Ms. Linder indicates that the grant application was submitted in September 1991. The Friends of the San Francisco Public Library have used the reserve fund maintained on behalf of the Public Library to support Project Read pending the expected receipt of the CLSA grant funds. The proposed resolution should therefore be amended to authorize the Public Library to apply for, accept and expend the grant funds retroactive to July 1, 1991.

7. A copy of the Grant Application Information Form submitted by the Public Library to the Clerk of the Board is attached.

8. A disability access checklist for the San Francisco Public Library is on file with the Clerk of the Board.

Recommendations: 1. Amend the proposed resolution to authorize the Public Library to apply for, accept and expend the proposed grant retroactively.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. Amend the title of the proposed resolution to indicate that indirect costs in the amount of $1,217, or five percent of the total grant award, would be included as part of the proposed grant award.

3. Approval of the proposed resolution, which includes approval of the procurement by the Public Library of computer equipment without the approval of EIPSC, is a policy matter for the Board of Supervisors.

File Number ________ ________________

Grant Application Information Form

A document required to accompany a proposed resolution
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: San Francisco Public Library/Project Read

Contact Person: Ana Linder Telephone: 557-4388

Project Title: Tutor & Student Support & Resource En hancement

Grant Source: California State Library ,CLSA Funds

Proposed (New / Continuation) Grant Project Summary:
The CLSA matching funds will be used to enhance the services provided to Project Read tutors and students in three major areas:
1) Support Services Coordination- CLSA fund will be used to pay 25% of the Tutor/ Student Services Coordinator position.
2) Collection Development- With CLSA funds we will contract with an individual to develop and analyze a survey sent to tutors and students asking them what materials they would find useful. We would also contract the job of coordinating the deveopment of the collection including research, purchase and processing. Additional CLSA funds will be used to purchase books for the collection.
3) Tutor/Student Management & Communication - With CLSA funds we will purchase equipment (a file share system and laser printer) to enhance management and communication. At this time, three computers are hooked to a network system, a file share will make the network run more efficiently, faster and saving the data will be easier. A laser printer is needed to improve the quality of flyers, announcements, letters, etc. we send to tutors and students. Also, it would improve the process of making labels for all the mailings. Additional funds will be used to contract clerical help needed to complete reporting requirements of CLSA.

Amount of Grant Funding Applied for: $ 24,344

Maximum Funding Amount Available: N/A

Required Matching Funds: $ 189,174

Number of Positions Created and Funded: -0-

Amount to be Spent on Contractual Services: $ 23,127

Will Contractual Services be put out to Bid? NO

Grant Application Information Form
Page 2

Term of Grant: July 1, 1991 - June 30, 1992

Date Department Notified of Available funds: September 18, 1991

Application Due Date: September 30, 1991

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

See Attached

Richard Walsh
Department Head Approval

RICHARD WALSH
SECRETARY LIBRARY COMMISSION

The CLSA matching funds will be used to enhance the services provided to Project Read tutors and students in three major areas:

1) Support Services Coordination- CLSA fund will be used to pay 25% of the Tutor/Student Services Coordinator position. This now full-time position, coordinates support services for students and tutors including:
   - Tutor Council
   - Student Writing Workshops
   - Student Re-assessments
   - Learner Council
   - Student Reading Groups
   - Follow-up calls

2) Collection Development- Project Read has not updated its library materials since 1985. With CLSA funds we will contract with an individual to develop and analyze a survey sent to tutors and students asking them what materials they would find useful. We would also contract the job of coordinating the development of the collection which includes research, purchase and processing. Additional CLSA funds will be used to purchase books for the collection.

3) Tutor/Student Management & Communication- Project Read has a well-developed system for tutor/student management and communication which includes monthly phone calls to both groups, accurate information about each participant kept in a computer data system, mailings, monthly reports, etc. With CLSA funds we will purchase equipment (a file share system and laser printer) to enhance management and communication. At this time, three computers are hooked to a network system. A file share will make the network run more efficiently, faster and easier. A laser printer is needed to improve the quality of the flyers, announcements, letters, etc., we send to tutors and students. The printer would also improve the process of making labels for all the mailings. Additional funds will be used to contract clerical help needed to complete reporting requirements of CLSA.

Item 10 - File 101-88-118.4

Department: Department of Parking and Traffic - Parking Authority

Item: Release of reserved funds, for the Upper Fillmore District Off-Street Parking Project.

Amount: $334,685

Source of Funds: Off-Street Parking Fund

Description: The Board of Supervisors previously approved a supplemental appropriation in the amount of $3,500,000, for the Parking Authority to purchase a site at 2450-2470 California Street for the purpose of constructing the Upper Fillmore District Off-Street Parking Facility, a 60-space metered surface parking lot (File 101-88-118). At the same time, the Board of Supervisors placed $3,450,000 of the $3,500,000 on reserve pending agreement of the owner to sell the necessary California Street parcels to the City or pending the outcome of any required condemnation proceedings. The Finance Committee of the Board of Supervisors has subsequently approved the release of $3,115,315 of the $3,450,000, leaving a balance of $334,685 on reserve. Of the $3,115,315, which was previously released from reserve, $2,600,000 was paid to the owner of the subject property through the Superior Court when the Parking Authority condemned the property in 1989.

Mr. Kevin Hagerty of the Parking Authority reports that the City Attorney has recently concluded negotiations with the owner of the subject property, which have resulted in the owner agreeing to a purchase price of $2,950,000. As noted above, $2,600,000 of this purchase price has already been paid to the owner, following the Parking Authority's condemnation of the property, which leaves a balance owed of $350,000. Mr. Hagerty advises that the $350,000 balance owed, would be paid for by the $334,685 held on reserve plus $15,315 from surplus project construction monies that the Department of Public Works is transferring back to the Parking Authority. Construction on the Upper Fillmore District Off-Street Parking Facility was scheduled to be completed on January 31, 1992.

Recommendation: Release the reserved funds in the amount of $334,685.

Item 11 - Files 101-90-78.2

Departments: Department of Public Works (DPW)

Item: Request for release of reserve for architectural, engineering and construction services at Marina Green Park.

Amount: $1,085,600

Source of Funds: 1990 Earthquake Safety Bond proceeds

Description: In June of 1990, San Francisco voters authorized the sale of $332.4 million in bonds to fund capital improvements to restore earthquake damaged buildings. In March 1991, the Board of Supervisors approved a supplemental appropriation ordinance allocating $19,306,580 of these Earthquake Safety Bond proceeds to pay for design and construction repair work planned for various buildings and facilities (File 101-90-78).

Of the total $19,306,580, the Finance Committee reserved $1,817,040 at Marina Green Park pending information regarding selection of a contractor and information regarding the MBE/WBE status of the contractor. The DPW is currently requesting that $1,085,600 of that amount be released, leaving $731,440 on reserve for earthquake damage repairs at Marina Green Park.

Comments: 1. According to Mr. Jorge Alfaro of the DPW, Ghilotti Brothers, Incorporated, has been selected as the contractor for the proposed work through a competitive bid process. Ghilotti Brothers was the low bidder, at $868,730. Ghilotti Brothers, Incorporated, is not a MBE/WBE firm. Mr. Alfaro advises that two MBE firms submitted bids, which were significantly higher than the Ghilotti Brothers' bid.

2. Of the total $1,085,600 requested to be released, $955,600 would be used for the contractor's services. This amount includes $868,730, the amount of the contractor's bid, plus a ten percent contingency, at $86,870.

3. The remaining $130,000 of the total $1,085,600 requested to be released would support construction and management services by the Bureau of Engineering. However, the original reserve was intended to support contractor services only and not Bureau of Engineering services. Mr. Mark Primeau of the DPW reports that the $130,000 is requested to support project design and management costs, as follows:

Materials Testing	$68,000
Design Review	12,000
Contingencies	50,000
Total	$130,000

As noted above, contingencies are included in the $130,000 project management fee at $50,000, or 38 percent. Because contingencies are, in general, included at 10 percent, this amount should be reduced to $8,000, or ten percent of the non-contingency costs, at $80,000, for a total Bureau of Engineering cost of $88,000. Since the entire $1,085,600 was reserved for contractual services, whether or not $88,000 should be released for Bureau of Engineering design and management costs is a policy matter for the Board of Supervisors.

Recommendations: The release of $130,000 for Bureau of Engineering costs is a policy matter for the Board of Supervisors. If the Board of Supervisors decides to continue to reserve the $130,000 requested for Bureau of Engineering fees, the amount released should be reduced from $1,085,600 to $955,600, leaving $861,440 on reserve ($1,817,040 previously reserved less $955,600). If the Board decides to release funds for Bureau of Engineering costs, the amount released should be reduced by $42,000 ($130,000 request less $88,000 need), from $1,085,600 to $1,043,600, leaving $773,440 on reserve ($1,817,040 less $1,043,600).

Items 12 and 13 - Files 100-91-1.17 and 100-91-1.18

Department: Department of Public Works (DPW)

Items: Release of reserved funds to purchase computer hardware and software equipment for the DPW, Environment Regulation and Management Division in the amounts of $28,200 (File 100-91-1.17) and $3,800 (File 100-91-1.18)

Amounts: $28,200 and $3,800, for a total of $32,000

Source of Funds: Sewer Service Charges

Description: During the FY 1991-92 budget process, the Finance Committee recommended that a total of $32,000 ($28,200 plus $3,800), included in the DPW's budget request to fund computer hardware and software equipment, be placed on reserve pending Electronic Information Processing Steering Committee (EIPSC) approval. The DPW reports that the proposed computer equipment would permit DPW, Environment Regulation and Management Division to (1) access DPW's main computer, as well as the Citywide management information system, (2) increase inspection report quality and automate data for the Residential Appeals Users Board hearings and (3) improve responsiveness to customer telephone inquiries.

EIPSC has reviewed and approved the following computer equipment:

Personal Computers (6 @ $3,600 each)	$21,600
Personal Computer (1)	3,500
Printer	2,100
Word Perfect Software (6 @ $766 each)	4,600
Lotus 1-2-3	500
	$32,300

Comment: As noted above, the EIPSC has approved computer equipment totalling $32,300, which is $300 more than the $32,000 placed on reserve. Mr. Gerald Costanzo of the DPW reports that the additional $300 required for the computer equipment will be paid for from surplus monies within the Department's existing 1991-92 budget.

Recommendation: Approve the proposed release of reserved funds in the total amount of $32,000 ($28,200 plus $3,800).

Item 14 - File 123-91-2.1

Department: Department of Public Works (DPW)
Bureau of Engineering

Item: Hearing to consider status report outlining the security bond process by which the Department of Public Works may accept a security bond in lieu of a cash deposit as provided for in Article 15, Section 724.3 of the Public Works Code.

Description: The Board of Supervisors previously approved a resolution (File 123-91-2) which urged the Mayor to urge the Chief Administrative Officer to direct the Department of Public Works to establish a process by which the Department may accept a security bond in lieu of a cash deposit as provided for in Article 15, Section 724.3 of the Public Works Code, and urging the Director of Public Works to submit a report to the Board of Supervisors outlining the security bond process within sixty days. The proposed hearing would provide the Board of Supervisors with a status report outlining the security bond process. The DPW is currently establishing the process by which the Department may accept a security bond in lieu of a cash payment, but the details have not been completed.

The Department of Public Works (DPW) currently requires that permits be acquired for the temporary occupancy of any street or sidewalk in San Francisco. The DPW collects a permit fee and a refundable cash deposit for each permit issued. Each refundable cash deposit is held until the project is complete and if no damage is done to the street or sidewalks where the temporary occupancy occurred, the cash deposit is returned to the permittee.

Permittees which are in the business of performing continuous building operations which require frequent temporary occupancies, such as but not limited to roofing, painting, and window washing, have expressed concerns about the amount of cash on deposit to secure the numerous permits that a permittee might have active at any given time.

Comments: 1. According to Ms. Denise Brady of the DPW, the current cost for temporary occupancy permits is .001 percent of the total cost of the work performed. For example, a $1 million construction job would require a permit fee which costs $1,000. The minimum permit fee is $30. Ms. Brady also reports that the cost of deposits are on average approximately $10 per linear foot of property which fronts a public right-of-way such as a street or sidewalk. Ms. Brady indicates that, in addition to the permit fee, the average minimum deposit is

$250. Ms. Brady explains that after the job is completed, the DPW provides a final inspection of the street or sidewalks temporarily occupied, and the permittees get their deposit back if no damage is found.

2. Ms. Brady states that the current deposit requirement can be costly and presents hardship to those businesses such as roofers, painters or window washers which continually occupy public streets or sidewalks since some of these businesses must have large sums of money constantly tied up for temporary occupancy deposits.

3. Ms. Brady explains that given the cost of deposits, many of these businesses never file for temporary occupancy permits. Ms. Brady indicates that the current fine for not having a temporary occupancy permit is $1,000 a day. Ms. Brady explains that it is likely that more of these businesses would file permits, if businesses are given the opportunity to provide the DPW with a security bond instead of a cash deposit. Therefore, the DPW would have to process more permits and provide more street and sidewalk inspections. Ms. Brady also reports that some or all of these additional costs may be offset by the additional revenues generated from permit fees since more businesses are likely to file permits.

4. Ms. Brady reports that the City's costs associated with establishing a security bond process would include setting up a filing system for permittees, either manually or with computers providing verification for active bonds. As noted, assuming there would be more permits filed, an increased number of sidewalk inspections would have to be performed. Ms. Brady reports that it cannot be determined whether this increased level of service could be performed with existing staff. Ms. Brady estimates that at most, an additional .50 FTE 6230 Street Inspector and an additional .50 FTE 5364 Permit Processor would be required. Ms. Brady indicates that the annual cost of a .50 FTE Street Inspector, including fringe benefits and overhead would be approximately $40,000, and the .50 FTE 5364 Permit Processor would also cost approximately $40,000 annually, for a total of $80,000 annually.

5. As previously noted, according to Ms. Brady, at most an additional .50 FTE 6230 Street Inspector, and a .50 FTE 5364 Permit Processor would be required. Therefore, the DPW may have to request a supplemental appropriation in order to provide these additional services. However, Ms. Brady indicates that given that more permits would likely be filed, the increased permitting fees received would offset some or all of these costs. However, Ms. Brady is unable, at this time,

to estimate the increased revenues which may result from additional permit fees. Ms. Brady also indicates that these increased revenues may not be able to be acquired unless additional funds are appropriated for these staff positions.

6. In response to a previous resolution approved by the Board of Supervisors (File 123-91-2), Ms. Brady reports that the Department anticipates that the security bond process would begin on March 1, 1992. Ms. Brady also reports that the roofing business would be the most affected business. Ms. Brady notes that currently roofers write in to apply for roofing permits, and if these businesses want to provide a security bond in lieu of a cash deposit, these businesses would be designated as having a security bond on file, and therefore would be processed separately from the other files, since a deposit would not be required for each job. Ms. Brady also reports that the DPW is currently developing an information packet for businesses which outlines the security bond process. Ms. Brady indicates that the DPW currently provides businesses with handouts with guidelines for temporary street occupancies, and these information packets would be provided in addition to the handouts, and therefore minimal costs would be incurred. Ms. Brady reports that an existing 5364 Permit Processor would implement the proposed security bond system. As previously noted, additional staff may be required as the volume of permits and inspections increases.

Item 15 - File 100-91-1.19

Department: Redevelopment Agency
City Planning Department

Item: Request for release of reserved funds for the Bernal Heights Planning and Improvements Study.

Amount: $100,000

Source of Funds: Program Income from the Community Development Block Grant Program (CDBG)

Description: The Finance Committee placed $100,000 of funds on reserve in the Redevelopment Agency's FY 1991-92 budget for the Bernal Heights Economic Development Program pending a description of the specific economic activities to be achieved through the program. Although the reserved funds have been set aside in the Redevelopment Agency's budget, the reserved funds would be used by the City's Planning Department to perform a planning study of the Bernal Heights area. The proposed planning study would include conducting community meetings, development of plans, and identification of the infrastructure needs for the community.

In November, 1988, the Board of Supervisors approved a resolution (File 346-88-2) which designated the Bernal Heights East and South Slope as a Survey Area for the purpose of determining the feasibility of a redevelopment project within that area. The redevelopment project could include, among other elements, infrastructure improvements and the creation of additional housing. In addition, the Board of Supervisors approved a resolution (File 161-90-3) in February, 1991 which adopted the Bernal Heights East and South Slope Revitalization Feasibility Report which calculated the overall infrastructure cost estimates for the Bernal Heights area. That resolution (File 161-90-3) also requested that the City Planning Commission specify a project area and formulate a preliminary project plan for the project area. However, the resolution did not commit the City to support a specific project or obligate the City to provide funds for any project in the Bernal Heights East and South Slope Survey Area.

Comments: 1. According to Mr. Tom Conrad of the Redevelopment Agency, the Agency included the requested $100,000 in funds in it's FY 1991-92 budget for an outside firm to perform an environmental impact study for related infrastructure projects in the Bernal Heights area. Mr. Conrad notes that the Bernal Heights community has expressed an interest in providing infrastructure improvements through the Planning Department rather than through the Redevelopment Agency. Mr. Conrad reports that the environmental study was never performed, and that it is the Agency's understanding that the community no longer desires that funds be used for a redevelopment project in the Bernal Heights area.

2. Mr. Milt Edelin of the Department of City Planning reports that the proposed Planning Department efforts would probably include the development of a preliminary plan and a preliminary capital improvement project, including a work program for engineering work, and coordination with other agencies, such as the Department of Public Works (DPW) and the Fire Department to identify needed infrastructure improvements and identification of necessary environmental evaluation work for the plan. Mr. Edelin estimates that although the work program has not been scoped out, it could take up to a year to complete the planning study and the required environmental evaluation. According to Mr. Edelin, up to approximately $6 million of these infrastructure improvements for unimproved streets may be funded through the City's gas tax allocation, however, the Department cannot determine the overall financing for the infrastructure improvement projects at this time.

3. Mr. Edelin anticipates that in order to begin the preliminary plan, the Department would use a 5280 Planner III for approximately six months (0.50 FTE), a 5263 Planner V for approximately one month (0.10 FTE), a 5328 City Planning Graphics Aide for approximately two weeks (0.05 FTE) and a 1426 Senior Clerk Typist for approximately two weeks (0.05 FTE). Mr. Edelin reports that these are existing personnel within the Planning Department which would be either reassigned from other projects, or appointed to the Bernal Heights Planning Study when other Departmental projects have been completed.

4. Specifically, the Department would require the following funds to begin the Bernal Heights Planning Study:

Personnel	FTE	
5280 Planner III	0.50	$25,362
5263 Planner V	0.10	6,483
5328 Graphics Aide	0.05	2,020
1426 Senior Clerk Typist	0.05	1,345
Subtotal Personnel	0.70	$35,210

Fringe Benefits (@ 26 percent)	$ 9,155
Total Personnel	$44,365
Other	
Printing and postage of planning documents	$ 1,200
Telephone	200
Materials and Supplies	700
Total Other	$ 2,100
Total need for release of reserved funds	$46,465

5. Therefore, funds in the amount of $53,535 ($100,000 request less $46,465 need) should continue to be reserved, pending cost details for the remaining aspects of the planning study. The Department cannot make a determination, at this time, if these funds will be sufficient for the balance of the work, nor can the cost of environmental evaluation be specified at this time.

6. As noted above, the Department of City Planning proposes to use the reserved funds for existing staff to complete the Bernal Heights Planning Study. Mr. Edelin reports that without the use of reserved funds, the Department would likely delete the 5280 Planner III, and the 5263 Planner V, the 5268 Graphics Aide and the 1426 Senior Clerk Typist would go on "leave without pay" reflecting the staff time funded with the proposed release of reserved funds.

7. Given that the requested release of reserved funds were originally included as part of the Redevelopment Agency's FY 1991-92 budget, and given that the overall cost of the Bernal Heights Planning Study and the financing for related infrastructure improvement projects cannot be determined at this time, the Budget Analyst believes that approval of the proposed request for release of reserved funds is a policy matter for the Board of Supervisors.

Recommendation: Approval of the proposed release of reserved funds is a policy matter for the Finance Committee. If the Committee approves the proposed request, then funds in the amount of $46,465 should be released, and funds in the amount of $53,535 should continue to be reserved.

Harvey M. Rose

cc: Supervisor Gonzalez
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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

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February 4, 1992

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TO: Finance Committee

FROM: Budget Analyst - Recommendations

SUBJECT: February 5, 1992 Recessed Finance Committee Meeting

Item 1 - File 100-91-9

Note: This hearing was recessed from the January 16, 1992 Special Finance Committee meeting.

This item is a hearing to consider a mid-year budget review, consisting of an assessment of the impact of the current economic recession on the fiscal integrity of City operations and the 1991-92 budget.

Representatives from the five largest General Fund departments in the City, which includes the Department of Public Health (DPH), the Municipal Railway (MUNI), the Department of Social Services (DSS), the Police Department and the Fire Department attended the Special Finance Committee Meeting on January 16, 1992 to present information regarding the status of their Fiscal Year 1991-92 budgets. The issues of Police overtime, workers compensation, City Attorney interdepartmental reimbursements, General Assistance and Federal and State funding shortfalls were also addressed by these departments, as well as the Budget Analyst and the Controller. Each of these five departments were requested to submit a report to the Finance Committee, covering both short term and long term issues and options and outlining possible ways to reduce their expenditures. In addition, these departments were requested to meet with the Budget Analyst, the Mayor's Office and the Controller to discuss various reductions that can be implemented in their 1991-92 budgets.

The amount of the 1991-92 Fiscal Year General Fund budget included in the City's $2.4 billion total 1991-92 Fiscal Year budget is approximately $1.3 billion. The 1991-92 Fiscal Year budgets, and the number of full-time authorized positions, as approved by the Board of Supervisors, for the five largest General Fund departments, are as follows:

Department	Amount	Number of Full-Time Authorized Positions
DPH	$489.9 million	5,870
MUNI	279.6 million	3,338
DSS	276.9 million	1,275
Police	184.6 million	2,468
Fire	149.4 million	1,605
Totals	$1,380.4 billion*	14,556**

* Includes non-General Fund monies.

** Total full-time authorized positions for all City Departments in Fiscal Year 1991-92 is 25,094.

On January 13, 1992, the Controller's Office issued their fourth Critical Financial Issues report, which tracks key items for Fiscal Year 1991-92 through November, 1991. The key revenue items include property transfer taxes, traffic fines and MUNI fares and the key expenditure items include Police overtime/extended work week, General Assistance, Workers Compensation, City Attorney departmental reimbursement and Superior Court fees and compensation. The following is provided as additional information on various key expenditure items:

Police Department Uniform Overtime and Extended Work Week

The Controller's Critical Financial Issues Report for the period July 1, 1991 to November 30, 1991 states that the Police Department has spent $3.989 million out of the twelve-month budget of $4.465 million for uniform overtime and extended work week. The Controller's report adds that the Department intends to recover $500,000 from the Housing Authority and transfer $1.2 million from unspent salary and fringe benefit savings to offset the anticipated need for a supplemental appropriation.

According to the Police Department's estimates, which are largely substantiated by spending trends this fiscal year, an overexpenditure of $3.7 million for uniform overtime and extended work week (overtime payments for such items as events and demonstrations) can be anticipated even after the transfer of $1.2 million in excess salary and fringe benefit savings and $500,000 collections from the Housing Authority described above.

In addition to overtime and extended work week, the Department expects to overspend Holiday Pay by approximately $300,000 and uniform differential pay by an unspecified amount. Some of these overexpenditures, totalling approximately $4.0 million, will be offset by savings in other accounts. The amount of such savings cannot be estimated at this time.

The Chief of Police has reportedly instituted new controls on expenditures for extended work week and certain types of overtime. For instance, no extended work week pay will be authorized for anything other than demonstrations and planned special events (such as Cinco de Mayo and the Gay Freedom Day Parade). Special law enforcement projects which have formerly been conducted by officers assigned to extended work week duty will now be conducted by on-duty details.

Miscellaneous overtime expenditures will also no longer be authorized without prior approval by a Deputy Chief. However, this is a small portion of total overtime expenses. Most uniform overtime is subject to limited management control over such matters as court appearances (primarily scheduled by the District Attorney), arrest time and investigations.

General Assistance

The Department of Social Services appropriation for General Assistance aid payments for FY 1991-92 is $42,819,374. In the annual budget review, the Budget Analyst had commented that the proposed appropriation for General Assistance was understated by between $3.5 to $5 million.

As of November 30, 1991, General Assistance expenditures have totalled $19.9 million. At current rates of expenditure and projected caseload trends, the Budget Analyst estimates that a supplemental appropriation of between $6.1 million and $7.5 million will be required for the balance of this current 1991-92 Fiscal Year. Our projection is consistent with the five months of experience of GA expenditures used by the Controller's Office, which is estimating a supplemental appropriation in an amount ranging from $6 million to $8 million.

Workers Compensation

The Fiscal Year 1991-92 budget includes a total of approximately $20,691,000 for workers compensation expenses. Of this amount, approximately $17,577,000 is for General Fund and General Fund supported departments (i.e., MUNI, Laguna Honda and General Hospital) and $3,114,000 is for Special Fund departments. Through the first six months of this fiscal year, December 31, 1991, a total of approximately $12,193,000, or 69 percent of General Fund expenditures and $2,069,000 or 66 percent of Special Fund expenditures has been spent for workers compensation. As a result, a supplemental appropriation of additional workers compensation funds for both the General Fund and Special Funds will be required this fiscal year. The General Fund supplemental appropriation is projected to be approximately $9 million.

The Chief of Police reports that he intends to re-assign two Inspectors to investigate workers compensation abuses in the Police Department. In the last fiscal year (1990-91), the Police Department accounted for $600,000 of the total Citywide supplemental appropriation for workers compensation payments.

In response to legislation adopted by the Board of Supervisors in September, 1991, a workers compensation task force has been created to act in an advisory capacity to the Mayor and the Board of Supervisors regarding containment of workers compensation costs. This task force is currently reviewing studies and previous task force recommendations in order to provide recommendations to the Mayor and the Board which could be incorporated into the City's 1992-93 budget.

City Attorney Departmental Reimbursement

The Controller's Critical Financial Issues report for the period July 1, 1991 through November 30, 1991 identifies that the City Attorney's Office has expended $4.683 million of the total twelve-month budget of $9.696 million for various departments. This Controller's report concludes that, similar to the 1990-91 fiscal year, when supplemental appropriations from various departments were required for City Attorney services, the City Attorney will again require a supplemental appropriation for fiscal year 1991-92. The Controller reports that new personnel requisitions for the City Attorney's Office are being monitored closely and that some surplus transfer of funds may be available to offset some of these additional City Attorney expenditures.

1991-92 Budget Analyst Recommendations Not Previously Adopted

In response to the request of the Finance Committee on January 16, 1992, the Budget Analyst compiled the line item recommendations and policy options that were submitted to the Finance Committee, but which were not adopted, during the 1991-92 budget hearings.

In terms of the General Fund, during the fiscal year 1991-92 budget review, the Budget Analyst made specific recommendations for reductions of appropriations of approximately $1.2 million for 17 departments which were not accepted by the Finance Committee. These recommendations included several positions in the Department of City Planning, Public Health Department, Department of Parking and Traffic, Recreation and Park Department and the Superior Court which we recommended for deletion. Other recommendations concerning travel, overtime and salary savings and the reduction of a portion of the Fire Department's Holiday Pay for an annual savings of $237,768 were included. In addition, we originally made recommendations concerning the deletion of 53 Chief's Aides in the Fire Department for an additional annual savings of approximately $4.5 million in salaries and fringe benefits. All of the Budget Analyst's recommendations, not previously taken, are included in Attachment 1. The Budget Analyst notes that these recommendations have not been updated to reflect changes that have occurred during the past seven months of the fiscal year. Such changes can result in greater or lesser reductions than previously recommended. Therefore, the Budget Analyst recommends that any such recommendations, not previously taken, where applicable, should be taken in coordination with the recommendations, to be contained in the separate February 5, 1992 joint report, of the Controller, the Mayor's Office and the Budget Analyst.

Attachment 2 reflects the policy options presented to the Finance Committee during the fiscal year 1991-92 budget hearings. In addition, according to the Controller's current reports, there is a total of approximately $2.0 million of appropriated General Funds that have been placed on reserve by the Finance Committee. The Finance Committee has the discretion to approve or deny the release of these reserves for the remainder of the fiscal year. These reserves will be considered as part of the overall expenditure reduction plan to be developed by City departments (refer to February 5, 1992 joint report).

Joint Report of the Controller, the Mayor's Budget Director and the Budget Analyst

The Controller, the Mayor's Budget Director and the Budget Analyst are working jointly to identify the status of the Fiscal Year 1991-92 budget and to develop policy and fiscal recommendations to the Board of Supervisors and the Mayor for the February 5, 1992 Finance Committee meeting. This report will discuss potential adjustments in order to reduce or eliminate any projected deficit in the current Fiscal Year 1991-92 budget. These recommendations will be contained in a separate joint report.

On November 27, 1991, the Mayor's Office, the Controller and the Budget Analyst issued a joint report projecting a $91.7 million shortfall for Fiscal Year 1992-93. This latter report has not, as yet, been updated.

Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
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Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
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Clerk of the Board
Chief Administrative Officer
Controller
Kent Sims
Adelle Foley
Ted Lakey

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division **02 - Assessor**

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Amount Savings
Administration (301598)								
1682	112	**Travel** Reduce to 1990-91 expenditure level adjusted by a cost of living factor for 1991-92.				$7,000	$4,000	$3,000

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

epartment/Division **29 - City Planning**

			Position/	Number		Amount		
Page No.	Object	Account Title	Equipment Number	From	To	From	To	Savings
nplementation (331546)								
1889	001	**Permanent Salaries** * The recommended reduction in Permanent Salaries - Misc. is the total of the specific individual position recommendations.				$3,089,941	$3,051,391	*
1898		**Planner II** Budget Analyst questions whether sufficient revenues will be collected from the additional permit fees between July, 1991 and December, 1993, when these fees and positions will be reviewed, to justify all of the proposed additional positions. Delete position for Landmarks Planner since this position is not directly involved in expediting permit processing and therefore should not be funded with the new permit fees.	5278N	3	2	115,650	77,100	$38,550
1889	060	**Mandatory Fringe Benefits** Correspond to reduction in salaries				772,024	762,386	9,638
904		**Desk**	29003Z	10	9	4,700	4,230	470
904		**Chair** Adjust to delete desk and chair for 5278 Planner II not approved above.	29004Z	16	15	3,280	3,075	205
		Total						$48,863

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division **48- Commission on the Status of Women**

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
General Fund (390013)								
1088	120	**Other Services** Reduce to 1990-91 expenditure level adjusted by a cost of living factor for 1991-92 plus an additional $1,000 for planned publications.				$7,622	$5,550	$2,072
1088	146	**Rental of Property** Reduce to actual requirement per Real Estate Department.				17,152	16,467	685
1088	130	**Materials & Supplies** Reduce to 1990-91 budget level adjusted by a cost of living factor for 1991-92.				1,863	1,700	163
		Total						$2,920

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 87 - Mental Health

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Central Management (730366)								
1346	005	**Permanent Salaries - Nurse** * The recommended reduction in Permanent Salaries - Nurses is the total of the specific individual position recommendations.				$187,169	$169,548	*
1393	005	**Registered Nurse**	2320W	(2)	0	(105,471)	0	$(105,471)
	005	**Head Nurse** The Department has not adequately justified the upward substitution of this position.	2322W	2	0	123,092	0	123,092
1346	060	**Mandatory Fringe Benefits** Corresponds to reduction in salaries.				591,289	586,884	4,405
		Total						$22,026

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division **74 - Medical Examiner/Coroner**

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Index Code (424531)								
323	001	**Permanent Salaries** * The recommended reduction in Permanent Salaries - Misc. is the total of the specific individual position recommendations.				$1,928,486	$1,903,877	*
326	001	**Assistant Forensic Toxicologist I** The Department is proposing that this position be funded by a combination of General Fund monies and Special Revenue Fund monies. Previously this position has been funded without the use of any General Fund monies. We recommend that the funding for this position be reduced to the level of funding available from non-General Fund monies which presently amount to $20,000 from the Special Revenue Fund. The $20,000 represents approximately a 0.38 FTE.	2456L	1	1	44,609	20,000	$24,609
323	060	**Fringe Benefits** Corresponds to reduction in salaries.				471,316	465,164	6,152
		Total						$30,761

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division **04 - District Attorney/General**

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Prosecution (303271)								
6	001	**Permanent Salaries - Misc.** * The recommended reduction in Permanent Salaries - Misc. is the total of the specific individual position recommendations.				$9,838,475	$9,798,475	*
24	001	**Salary Savings** Increase salary savings to allow for the hiring of five new attorney positions (the average annual attrition) at the entry attorney classification of 8174 Attorney rather than at the higher level classification of 8176 Trial Attorney.	9993A			(537,992)	(577,992)	$40,000
6	060	**Mandatory Fringe Benefits** Corresponds to adjustment in the Mayors' budget as submitted to the Board of Supervisors.				2,063,980	2,053,980	10,000
		Total						$50,000

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 31 - Fire

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Consent Decree								
156	012	**Holiday Pay** Holiday pay is not necessary for three uniform officers because Consent Decree activities do not require an around-the-clock presence of employees such as is required in the Suppression Division.				$9,083	0	$9,083
Bureau of Fire Suppression								
160	002	**Permanent Salaries - Uniform** * The recommended reduction in Permanent Salaries - Uniform is the total of the specific individual position recommendations.				61,138,186	$61,138,186	*
184	002	**Chief's Aide** The Department in the past has asserted that this classification is absolutely necessary despite the Budget Analyst's 1980 Management Audit recommendation that it be deleted because Chief's Aides were essentially only drivers. The additional duties of performing firescene observations and clerical functions have been added to this position since 1980, but these functions could be performed by regular Firefighters. For 1991-92 the Department has indicated that three Chief's Aides positions are unnecessary by defunding those three positions.	H10FA	56	0	2,455,214	2,455,214	*

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings

"We recommend defunding the remaining 53 Chief's Aide positions because not only are three positions unnecessary as evidenced by the Department's action, none of the positions are necessary. Implementation of the Budget Analyst's recommendations would result on annual savings of an estimated $4.5 million in salaries and fringe benefits.

The Fire Chief asserts that the defunding of the three positions is an internal adjustment and strongly disagrees with defunding the remaining 53 positions. The Fire Chief states the following:

"The Chief's Aide position in the Fire Department is essential to fire suppression operations. The Chief's Aides are active firefighters who respond to emergencies and perform firefighting functions such as rescue, ventilation and fire suppression.

"In addition to these responsibilities, the Chief's Aides act as reconnaissance personnel and communicators for the incident commander and section commanders at the emergency scene. Without this function, firefighting operations would be severely hampered resulting in a higher loss of life and property.

"These functions must be performed at all fires. Some fire departments assign people holding the rank of officer to perform these functions and others dispatch additional personnel to the emergency scene to perform these functions. However, these functions are absolutely necessary no matter what the title of the person performing the functions.

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		The National Fire Protection Association and the Insurance Services Office as well as the International Association of Fire Fighters and the International Association of Fire Chiefs recognize the importance of the functions performed by Chief's Aides. Chief's Aides are counted as part of the necessary complement responding to emergency scenes by these organizations.*						
Bureau of Fire Prevention								
165	012	**Holiday Pay** An around-the-clock presence is not required for the Bureau of Fire Prevention. Therefore, holiday pay is not required to ensure full coverage on holidays.				$88,060	0	$88,060
Bureau of Fire Investigation								
167	012	**Holiday Pay** An around-the-clock presence is not required for the Bureau of Fire Prevention. Therefore, holiday pay is not required to ensure full coverage on holidays.				55,280	$41,621	13,659

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Bureau of Support Services								
169	012	**Holiday Pay** Twenty of the Uniform employees in Support Services work in communications which operates at all times. An around-the-clock presence is not required for the remaining five of the twenty-five Uniform employees. Therefore, holiday pay is not essential to ensure full coverage for these five employees.				97,462	73,096	24,366
Administration								
174	012	**Holiday Pay** An around-the-clock presence is not required for the Bureau of Fire Prevention. Therefore, holiday pay is not required to ensure full coverage on holidays.				49,495	0	49,495
Training								
171	012	**Holiday Pay** An around-the-clock presence is not required for the Bureau of Fire Prevention. Therefore, holiday pay is not required to ensure full coverage on holidays.				55,105	0	53,105
		Total						$237,768

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division **34 - Human Rights Commission**

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
General Fund (340018)								
1025	100	**Professional Services** Reduce to 1990-91 expenditure level adjusted by a cost of living factor for 1991-92 and including an additional $20,000 for a contract to do statistical disparity studies in connection with the development of new subcontracting provisions for the City's Administrative Code.				$86,500	$63,750	$22,750
1025	130	**Materials & Supplies** Reduce to 1990-91 budget level adjusted by a cost of living factor for 1991-92.				4,640	4,000	640
		Total						$23,390

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division **12 - Juvenile Court**

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		Juvenile Hall (319558)						
113	113	**Training** Reduce to actual 1990-91 expenditure level adjusted by a cost of living factor for 1991-92.				$48,000	$46,000	$2,000

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 36 - Parking and Traffic

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Enforcement (353250)								
500	001	**Permanent Salaries - Misc.** * The recommended reduction in Permanent Salaries - Misc. is the total of the specific individual position recommendations.				$8,120,782	$8,050,129	*
530	001	**Senior Administrative Analyst** This position has been vacant for one year.	1823A	1	0	40,154	0	$40,154
530	001	**Communications Dispatcher II** The Department has not adequately justified all of the nine new positions.	1705N	9	8	274,489	243,990	30,499
530	060	**Mandatory Fringe Benefits** This adjustment corrects the Mayor's Budget as submitted to the Board of Supervisors.				2,293,693	2,276,030	17,663
		Total						$88,316

RECOMMENDATIONS OF THE FINANCE COMMITTEE FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division **05 - Public Defender**

Page			Position/ Equipment	Number		Amount		
No.	Object	Account Title	Number	From	To	From	To	Savings
39	001	**Salary Savings** Increase Salary Savings to the same level as Fiscal Year 1990-91. While this level of salary savings may require the Public Defender to keep some positions vacant, this level of salary savings will allow spending at the exact same level as the current year. The Public Defender disagrees with this recommendation stating that the caseload is excessive which necessitates filling vacant attorney positions, even those positions that were kept vacant to achieve the salary savings requirement. According to the Public Defender, if these positions must continue to be kept vacant to meet the salary saving budget requirement, more cases will have to be represented by outside attorneys at a substantially higher cost to the City than if performed by Public Defender staff. Based on the Step 1 (entry level) salary of the basic attorney classification in the Public Defender's department, the recommended increase in salary savings equates to approximately 2.57 such attorney positions which would result in a total of approximately 4,749 hours of work would cost $261,195. At the outside attorney rate of $75 per hour for Superior Court cases, 4,749 hours of work would cost $356,175.	9993A			$(334,206)	$(444,077)	$109,871
33	060	Mandatory Fringe Benefits Corresponds to reduction in salaries.				1,265,723	1,238,255	27,468
		Total						$137,339

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 83 - Public Health Central Office

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1111	113	**Training** Although 1990-91 budget is $30,690 for training, nothing has been spent as of April, 1991, in either object 105 (which includes 1990-91 budget for training) or object 113.				$15,000	$5,000	$10,000
1167	130	**Materials and Supplies** Reduce to actual 1990-91 expenditure level adjusted by a cost of living factor for 1991-92.				39,397	24,967	14,430
1186	130	**Materials and Supplies** Reduce to actual 1990-91 expenditure level adjusted by a cost of living factor for 1991-92.				417,650	412,650	5,000
AIDS Health Center (732453)								
1202	020	**Temporary Salaries** * The recommended reduction in Temporary Salaries is the total of the following specific recommendations.				160,757	63,057	*
1259	020	**Positions Not Detailed** Reduce to actual 1990-91 expenditure level.	9995	0	0	(25,000)	(122,700)	97,700
		Total						$127,130

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division **42 - Recreation and Park**

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
ADMINISTRATION - GENERAL FUND (368738)								
1508	001	**Permanent Salaries** * The recommended reduction in Permanent Salaries - Misc. is the total of the specific individual position recommendations.				$2,074,979	$2,058,501	*
1575		**Payroll Clerk** Automating on-line Payroll System, with additional equipment and software purchased will provide additional efficiencies to payroll operations. Given that the Department is responsible for the payroll functions for the Mayor's Summer Youth Program and that the payroll staff are learning the new online system, the proposed reduction should be postponed for six months.	1220	4	3	131,821	115,343	$16,478
1504	060	**Mandatory Fringe** Corresponds to reduction in salaries.				498,467	494,347	4,120

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division **42 - Recreation and Park**

Page No.	Object	Account Title	Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
Park Division - General Fund (620377)								
1508	001	**Permanent Salaries - Misc.** * The recommended reduction in Permanent Salaries - Misc. is the total of the specific individual position recommendations.				$6,362,280	$6,284,618	*
1579		**Gardener** *The number of gardeners in the Recreation and Park Department has increased from 258 in 1980-81 to 288 in 1985-86 to 297 in the current fiscal year. Budget Analyst prior studies found that Gardener positions perform significant custodial work (i.e., trash collection). 10 Gardener positions should be eliminated to be replaced by custodians (Class 2708) with funds of $268,370 reserved pending supplemental request for custodial positions. To prevent any layoffs, as gardeners retire or leave the City's employment, their positions could be replaced with custodians.	3417	156	146	5,398,089	5,320,427*	$77,662
1508	012	**Holiday Pay** Use custodians for Holiday trash collection.				46,858	40,858	6,000
1508	060	**Mandatory Fringe Benefits** Corresponds to reduction in salaries.				2,836,661	2,815,746	20,915
		Total						$125,175

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 86 - San Francisco General Hospital

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Acute Operations (462580)								
1303	003	**Permanent Salaries - Craft** *The recommended reduction in Permanent Salaries - Craft is the total of the specific individual position recommendations.				$1,866,668	$1,816,139	*
1325		**Salary Savings** Increase salary savings to level achieved in 1990-91 adjusted for elimination of vacant positions.	9993A			(192,933)	(243,462)	$50,529
1303	060	**Mandatory Fringe Benefits** Corresponds to reduction in salaries.				20,527,377	20,514,745	12,632
1303	112	**Travel** Reduce travel by 50% which would still provide a $2,400 increase over 1990-91 austerity level.				6,233	3,150	3,083
1303	113	**Training** Reduce training which would still provide a $27,500 more than 1990-91 austerity level.				74,946	50,000	24,946
		Total						$91,190

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division San Francisco Redevelopment Agency

Page			Position/ Equipment	Number		Amount		
No.	Object	Account Title	Number	From	To	From	To	Savings
		Prior Year Earnings/Savings *A total savings from prior year should be carried forward as follows:				$9,104,000	$9,219,000	*
		Bernal Heights - Econ. Devel. India Basin - Legal Costs				0 0	100,000 15,000	$100,000 15,000
		Permanent Salaries * The recommended reduction in Permanent Salaries - Misc. is the total of the specific individual position recommendations.		108	107	7,190,118	7,150,889	*
		Executive Secretary II Delete one position as each employee has access to own word processor/computer which reduces the need for clerical support.		6	5	235,374	196,145	39,229
		Mandatory Fringes Corresponds to reduction in salaries.				1,606,869	1,595,493	11,376
		Consultant Services Delete personnel service contracts for legal services and public information services because existing staff should be sufficient to carry out such activities.				213,100	154,100	59,000
		Total Recommended Reductions						$224,605
		Estimated General Fund Impact						$22,460

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division **06 - Sheriff/Prisoner Custody**

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
County Jails (306589)								
45	001	**Permanent Salaries - Misc.** * The recommended reduction in Permanent Salaries - Misc. is the total of the specific individual position recommendations.				$16,686,134	$16,628,100	*
57	001	**Salary Savings** Increase to actual experience level for 1990-91 after adjusting for Supplemental Appropriations, overtime and temporary salaries and Permanent Salaries - Craft. Recommended increase has been made in such a way as to allow for full budgeting of salaries for jail custody staff.	9993A			(43,010)	(101,044)	$58,034
45	060	**Mandatory Fringe Benefits** Corresponds to reduction in salaries.				1,515,922	1,511,280	4,642
Court Security and Process (306597)								
49	001	**Permanent Salaries - Misc.** * The recommended reduction in Permanent Salaries - Misc. is the total of the specific individual position recommendations.				$4,116,592	$4,015,291	*
60	001	**Salary Savings** Increase to actual experience level for 1990-91 after adjusting for Supplemental Appropriations, overtime and temporary salaries and Permanent Salaries - Craft. Recommended increase has been made in such a way as to allow for full budgeting of salaries for jail custody staff.	9993A			(13,685)	(114,986)	101,301
49	060	**Mandatory Fringe Benefits** Corresponds to reduction in salaries.				343,407	335,303	8,104
		Total						$172,081

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 10 - Superior Court

Page No.	Object	Account Title	Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
Superior Court Services (316083)								
70	001	**Permanent Salaries - Misc.** * The recommended reduction in Permanent Salaries - Misc. is the total of the specific individual position recommendations.				$7,285,782	$7,257,963	*
80	001	**Judicial Clerk - Sr.**	0681N	1	0	33,382	0	$33,382
80	001	**Judicial Clerk - Sr.** The new 0681 Judicial Clerk Senior and one of the new 0697 Judicial Clerks were requested for the Marriage License Bureau. The Superior Court indicates an increase in workload as a result of the new Domestic Partners program and a corresponding increase in the revenues to support these requests. Deny the position because revenue increases assume fee rate increases that have not yet been implemented.	0681I	0	0	(5,563)	0	(5,563)
70	060	**Mandatory Fringe Benefits** Corresponds to reduction in salaries.				1,834,378	1,827,423	6,955
		Total						$34,774

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 93 - Convention Facilities Management

BUDGET POLICY OPTIONS:

Note: **The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.**

Convention Facilities Management and the Convention and Visitors Bureau are funded through specific allocations in the Hotel Tax Rate. As noted in the Budget Analyst's Report on the CAO's Budget, the present tax rate of 11 percent charged for hotel room occupancy is divided into two portions, an 8 percent tax rate portion, and a 3 percent tax rate portion. The 8 percent tax rate portion is deposited in the Hotel Tax Fund. Of the total amount deposited in the Hotel Tax Fund, the following allocations have been established:

• Convention Facilities Management	(42%)
• Convention and Visitor's Bureau	(10%)
• War Memorial	(10%)
• Low income housing development (6.23% less $60,000)	
• Candlestick Park Fund	(6.23%)
• Publicity and Advertising Fund	
Recurring events	(16.5%)
Non-recurring events	(0.5%)
• Low income housing	($100,000)

The remaining amount is allocated to administration and the General Fund. The 8 percent portion of the Hotel Tax Fund will generate an estimated $54.4 million in 1991-92. The 42 percent of the 8 percent portion allocated to Convention Facilities Management is required to pay for the debt service and maintenance on the Moscone Convention Center; and the 6.23 percent of the 8 percent portion allocated to the Candlestick Park Fund is required to pay for the debt service on Candlestick Park.

As a policy option, the Board of Supervisors could choose to reduce the amounts allocated (1) to the Convention and Visitor's Bureau which is 10 percent of the 8 percent portion or $5.4 million and (2) to the Publicity and Advertising Fund which is 17 percent of the 8 percent portion or $9.3 million. Such reductions could be used to increase the contributions to the General Fund.

Department/Division 01 - Board of Supervisors

Budget Policy Options:

Note: **The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.**

1. The proposed budget includes funding in the amount of $105,000 for the Telecommunications Policy Committee. The Board could consider deleting this function from the budget of the Board of Supervisors and request that the Chief Administrative Officer assume the responsibility for this function.

2. The proposed budget includes funding in the amount of $111,968 for the Delinquency Prevention Commission. The Board could consider deleting this function from the budget of the Board of Supervisors and request that the Superior Court combine this function with the Juvenile Justice Commission.

Department/Division 91 - Purchasing Department

BUDGET POLICY OPTIONS:

Note: **The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.**

Budget Policy Options

The Budget Analyst issued a management audit of the Purchasing and Storekeeping Functions Department. A recommendation made during that audit by the Budget Anlalyst is as follows:

> If all department storeroom staff were managed by each respective operating department, instead of on a centralized basis by the Purchasing Department, the administrative requirements of the Director of Purchasing and Services' Stores and Equipment Division would decrease, since management and supervisory workloads would be reduced as they are distributed to the user departments. Reductions in the Purchasing Department's Stores and Equipment Administration could include elimination of the following positions:

No. of Positions	Position	Amount
1	Assistant Director of Purchasing	$78,600
1	Inventory Clerk	34,000
1	Senior Materials Analyst	38,950
2	Assistant Stores and Equipment Supervisors	72,700
5	Subtotal	$224,250
	Fringes	55,210
Finance Recommendation Total		$279,460

The Assistant Director of Purchasing listed above, who is responsible for Stores and Equipment Bureau, could remain with the existing staff to oversee the development of the City-wide guidelines and procedures. Once the guidelines and procedures are developed, the Assistant Director position could be eliminated. The other four positions could be eliminated as soon as the storekeeping functions are turned over to the departments. The remaining staff would be responsible for continued supervision of those storerooms directly under the Director of Purchasing and Services' authority, as well as other non-stores responsibilities.

However, some of the accrued savings from these reductions would be needed to offset increased costs of the Controller's Internal Audits Division for implementation of an audit plan for the departmental storerooms and for ongoing audits of the storerooms. The Director of Internal Audits estimates the Division would require three additional Financial Auditors at a cost of $54,800 each, or a total of $164,400 plus fringes of $40,475. Therefore, we estimate net annual savings of $74,585 by the elimination of the above 5 listed positions.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 86 San Francisco General Hospital

BUDGET POLICY OPTIONS:

Note: **The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.**

As discussed in point 3 in our comment section, an A942 Senior Associate Administrator position has been sustituted in the Department's work order budget for a Staff Assistant IX position at a salary of $104,557, representing $28,158 salary upgrade. This upgrade will require increased payments to the Mental Health Bond fund. The Department adds that a vacant $71,000 administrative position has been eliminated from the Acute Services Division budget in order to further achieve savings to offset the cost of this upgrade.

According to the Department, the position will continue to be responsible for duties related to the new Mental Health facility on the campus and assume additional duties related to SFGH operations. The Department has not provided further explanation of the improvements to Hospital administration that will result from the salary upgrade and division of responsibility between the Mental Health Bond Fund and the Hospital Operations fund.

A policy option for the consideration of the Finance Committee would be to disallow the proposed upgrade and instruct the Hospital to absorb the reduced Assistant Hospital Administrator position. This action would achieve additional savings in the amount of $42,692.

Should the Finance Committee elect to adopt this policy option, the following recommendations would be in order.

Page No.	Object	Account Title	Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
SFGH Work Order Exp. (460139)								
1301	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the specific individual position recommendations.				$416,487	$396,502	*
1315		Senior Assoc. Admin.	A942 I	0	0	(8,173)	0	*
1315		Senior Assoc. Admin.	A942 W	1	0	104,557	0	*
1315		Staff Asst. IX Deny upgrade of position and splitting of time with Mental Health Bond Fund.	9750R	0	1	0	76,399	*

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

1991-92

Department/Division 29 City Planning

BUDGET POLICY OPTIONS:

Note: The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.

In 1988 and 1989, the Budget Analyst issued two management audit reports on the Department of City Planning and the City's Permit Processing System. Based on documentation provided to the Budget Analyst, a number of the recommendations made in these audit reports have been implemented or are in the process of being implemented. The Budget Analyst however notes that one recommendation, to strengthen the management in the Implementation Division, which is the Division that processes the permits, has not been fully implemented, and has resulted in a less efficient and effective operation. A separation of the management responsibilities of this Division from the Zoning Administrator's other responsibilites could streamline this process.

The Budget Analyst also found in the audit in 1989 that there are potentially significant benefits to be gained by consolidating the Department of City Planning's and the Bureau of Building Inspection's Violation Abatement and Code Enforcement responsibilities. Areas of potential benefit include improved permit processing, improved conformance of contruction to plans, improved code enforcement, improved funding for required resources, support personnel spread over a larger base and the ability to combine talent within both organizations. Necessary actions to consolidate the Code Enforcement activities of the Department of City Planning and the Bureau of Building Inspection to develop an organization capable of providing significantly improved services to the City could be considered.

Policy issues that were raised by the Residential Builders Association (RBA) and discussed by the Finance Commitee in May, 1991 concern designating the review of permit applications for wood frame housing as a top priority of the City Planning Department, instituting a fee of $250 for requests for review of projects by the Landmarks Preservation Board and reimbursing permit applicants for delays in processing permits beyond the time constraints imposed by State law (AB884). AB884 requires the City Planning Department to process permits for building projects within specified time constraints, and if such time constraints are not met (6-12 months), then the project must be approved by the Planning Department. The City Attorney's Office has been requested by the Board of Supervisors to prepare legislation addressing these and other related issues regarding the Department of City Planning.

Department/Division 65 - Rent Arbitration Board

BUDGET POLICY OPTIONS:

Note: The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.

The Rent Board, which is fully supported by fees paid by property owners of units that are subject to the jurisdiction of the Rent Board, does not currently reimburse the City for indirect costs. The annual costs for indirect services (i.e., Civil Service, Purchaser, Controller, etc.) provided by the City are estimated to be approximately $43,000 based on the Department's current proposed expenditures. When the Rent Board submits a supplemental appropriation request for vacancy control and the corresponding annual per unit fee increase, the Board of Supervisors could request that the Rent Board include indirect costs to be reimbursed to the City. Such reimbursements would be a direct offset to the City's General Fund expenditures.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 62 - Asian Art Museum

BUDGET POLICY OPTIONS:

Note: The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.

The Asian Art Museum is proposing to use the Main Library for its new site, after the building is vacated by the Library. The Asian Art Commission has stated its commitment to raise private funds to pay for the necessary conversion of the building to meet its purposes. The cost of the conversion is estimated to be between $35 to $75 million. The Chief Administrative Officer (CAO) has raised several concerns regarding the conversion of the Main Library to a a new site for the Asian Art Museum, including whether the Museum can raise sufficient funds to pay for the conversion.

The CAO reports that the Main Library building will be vacated by the end of 1995, at which time it would be necessary to begin immediate conversion of the building so that it would not remain vacant for any appreciable length of time. The CAO advises that the City has approved bond funds sufficient for the seismic retrofit of the building and that the seismic work must be undertaken concurrently with the conversion work. As such, the Asian Arts Commission would need to have sufficient funds available, certifiable by the Controller, at the end of 1995, to allow contracts for both the conversion and seismic work to be bid at the same time.

The CAO reports that in the event it becomes clear that the Museum will be unable to raise the necessary private funds for conversion of the building, the City would then face the prospect of another bond issue for some other use, as yet undetermined, of the building. Such a bond issue would need to be on the 1994 ballot in order to permit the building conversion to take place soon after the building is vacated. The CAO advises that given the time required to prepare bond reports and to meet time-lines specified in the Charter, the City's policy makers would have to decide early in 1994 whether and for what purpose they would wish to put a building conversion bond issue on the ballot.

Given the concerns expressed by the CAO, the Budget Analyst believes that the Board of Supervisors should inquire as to the status of the Asian Art Museum's efforts to raise the necessary private funds for the conversion of the Main Library building.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 41 - Public Library

BUDGET POLICY OPTIONS:

Note: **The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.**

The Public Library operates the Main Library and 26 Branch Libraries throughout the City with a total proposed budget of approximately $20 million. Due to budget reductions in prior years and as proposed in 1991-92, the Public Library has significantly reduced staffing, hours of operation and converted seven Branch Libraries to lower level Reading Centers. Rather than continuing to provide a lower level of Library services at 27 locations, a policy option could be to consolidate Branch Libraries, in order to provide longer hours of operation and full services at a fewer number of locations (e.g. 15 locations), while obtaining considerable savings in overhead costs. Current annual operating costs are approximately $110,000 for a Public Library Reading Center and approximately $185,000 for a Small Branch Library.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 35 - Municipal Railway

BUDGET POLICY OPTIONS:

Note: **The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.**

1) As a policy option, in lieu of fare increases, the Board of Supervisors could request reductions in services on those bus lines where ridership is low.

2) In 1991-92, MUNI proposes an expenditure of $1,200,000 to fund San Francisco Police Department officer overtime to provide security on MUNI buses and trolleys. MUNI estimates that the cost of providing private security services is roughly half of the cost of using police officers. MUNI states that police officers, who can carry weapons, are preferred to private security guards because police officers are authorized to make arrests and can be more effective in preventing incidents from occurring. However, private security guards would at least provide a "uniformed" presence on the buses and trolleys. The Board of Supervisors could decide to provide a lower level of security on MUNI transit buses and trolleys by using private contracted security guards at a savings of approximately $600,000 per year.

3) As a policy option, the Board of Supervisors could suggest the use of higher fares during rush hour to account for the extra costs imposed on the transit system to accommodate commuters.

4) The Board of Supervisors could suggest an increase in MUNI bus fares across-the-board, rather than just approving the increase in fares for the fast passes.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 26 - Commission on Aging

BUDGET POLICY OPTIONS:

Note: **The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.**

Currently, the Senior Information and Referral Services are provided by the DPH at a total cost of $385,626. The Commission on Aging pays $195,955 (approximately 51 percent) of the total program cost and DPH pays the $189,671 balance. For 1991-92, DPH is deleting the Senior Information and Referral program and the staff positions associated with it from their budget and will not provide a share of the funding for the program in 1991-92. As a result, the Commission on Aging voted at its May, 1991 meeting to explore contracting out the service at a lower level of funding which would result in a decrease in the level of service. The Controller has determined that contracting for Senior Information and Referral Services in fiscal year 1991-92 would result in substantial savings. On June 12, 1991, the Finance Committee continued a proposed resolution concurring with the Controller's certification that these services can be performed for a lower cost than similar work by City employees (File 25-91-23). Should the Board of Supervisors wish to continue this program in 1991-92, new funding would have to be found, possibly from savings from other budget reductions in the DPH or other departments. Should the Board choose to continue to fund the Senior Information and Referral Service program at its current funding level, the Board of Supervisors might consider urging that the service be contracted out since the Controller has certified that the service can be performed at a lower cost through an outside contract with a community-based organization.

Department/Division 97 - General City Responsibilities

BUDGET POLICY OPTIONS:

Note: The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.

Controller data processing charges totalling $4,611,384 out of $22,902,303 are budgeted as General City Responsibility for 1991-92, which is funded entirely by the General Fund. The remaining $18,290,919 of the Controller's data processing costs are charged by work order to the other City departments that receive the benefits of the data processing services. The $4,611,384 subsidy has not been charged to the various departments in order to keep the charges to those departments competitive with what outside data processing service firms would charge the departments for equivalent services by contractual arrangement. If all of the Controller's data processing costs were charged to the various City departments, then the total cost for each department would be fully disclosed.

CALENDAR

MEETING OF

JOINT FINANCE/CITY SERVICES COMMITTEE

BOARD OF SUPERVISORS

CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, FEBRUARY 11, 1992 - 10:00 A.M. LEGISLATIVE CHAMBER, CITY HALL

PRESENT: Supervisors Gonzalez, Alioto, Shelley, Achtenberg, Hallinan, Hsieh

CLERK: Gail Johnson

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

1. File 185-92-1. Hearing to consider the Prop. J Children's Services Plan submitted by the Mayor in accordance with Charter Section 6.415. (Supervisor Ward)

ACTION: Hearing held. Resolution prepared in and reported out of Committee entitled: "Approving the Prop. J Children's Services Plan submitted by the Mayor in accordance with Charter Section 6.415, and requesting the Mayor to transmit a report of selected service providers to the Board of Supervisors by July 1, 1992 for the Board's review." Recommended. (Supervisor Hsieh absent)

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 7, 1992

DEPOSITORY ITEM
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TO: Finance Committee

FROM: Budget Analyst - Recommendations

SUBJECT: February 11, 1992 Joint Finance/City Services Committee Meeting

Item 1 - File 185-92-1

Item: Hearing to consider the Proposition J Children's Services Plan submitted by the Mayor, in accordance with Charter Section 6.415.

Description: Proposition J, commonly known as the "Children's Amendment" and approved by the electorate on November 5, 1991, amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund, which will augment existing levels of expenditures for services and programs for children. The Charter amendment requires that the City maintain a level of expenditure for children's services which is equal to or greater than its level of expenditure in fiscal year 1990-91 or 1991-92, whichever is greater, and sets aside a certain percentage of property tax revenues to fund additional "services for children eligible for fund assistance."

The Children's Fund will be funded by an annual set-aside of ad valorem (property) tax revenues in the amount of $.0125 (one and one quarter cents) per hundred dollars of assessed valuation in the first year (fiscal year 1992-93) and $.025 (two and one half cents) per hundred dollars of assessed valuation in nine subsequent years. The Charter amendment will expire after ten years.

On February 3, 1992, the Controller provisionally certified that the City's appropriations for children's services prior to adoption of the Children's Amendment was $49,600,174.

The baseline amount, representing the required minimum expenditure by the City for children's services in each of the next ten fiscal years, will be adjusted annually after the first fiscal year by the percentage change in aggregate City appropriations since the base year.

According to the Controller's estimates, the Children's Fund is expected to comprise approximately $5.7 million in fiscal year 1992-93. Therefore, it is anticipated that a total of $55.3 million ($49.6 million previously appropriated plus $5.7 million) will be included in the Mayor's recommended 1992-93 budget for Children's Services.

The Charter Amendment requires that for the first four fiscal years in which monies are set aside, the City must allocate at least 25 percent of the Children's Fund to each of three areas of "eligible services": 1) childcare, 2) health and social services, and 3) job readiness, training, and placement. The balance of not more than 25 percent of the Fund may be used only for libraries, recreation, delinquency prevention, and education programs for children. Beginning with the fifth fiscal year (1996-97), the Board of Supervisors may modify or eliminate these minimum funding requirements. The Charter Amendment does not specify how administrative costs of these programs are to be paid.

The Charter Amendment also required that the Mayor submit to the Board of Supervisors, by February 3, 1992, a "Children's Services Plan" to specify the goals and objectives to be achieved through expenditures from the Children's Fund, to outline proposals for expenditures from the Children's Fund in fiscal year 1992-93, and to recommend City departments to administer the funded programs. The proposed hearing would meet this requirement.

In subsequent years, for allocations beginning in fiscal year 1993-94, the Charter Amendment requires a public planning process, in which public hearings will be held by the Public Health, Juvenile Probation, Social Services, Recreation and Parks, and Public Library Commissions prior to submission of the Mayor's Children's Services Plan to the Board of Supervisors.

Proposed Budget: In addition to the previously appropriated $49.6 million, the Mayor's Office has submitted a $5.7 million Children's Services Plan to the Board of Supervisors for fiscal year 1992-93. The plan reflects the following estimated program expenditures from the Children's Fund:

I. Service Categories

Childcare		
Vouchers to Parents	$550,000	
Day Care Center Subsidies	300,000	
SFUSD Children's Centers	80,000	
Latchkey Programs	250,000	
Respite Care	50,000	
Day Care Technical Assistance	50,000	
Total Child Care		$1,280,000
Health and Social Services		
Public Health Nurse - AFDC Intake	25,000	
Golden Gate School Health Center	25,000	
Neighborhood Preventive Health Team	350,000	
Healthy Start Matching Funds	100,000	
Mental Health - Health Centers Outreach	150,000	
GAIN Teen Program	225,000	
Multi-service Family Support	200,000	
Homeless Children	75,000	
Mental Health - Day Care outreach	140,000	
Child Abuse Awareness	50,000	
Total Health and Social Services		1,340,000
Job Readiness, Training, and Placement		
Dropout Prevention	300,000	
Job Readiness/H.S. or G.E.D.	400,000	
Foster Children Vocational Counseling	28,000	
Mayor's Youth Employment & Education	400,000	
Workreation Expansion	60,000	
Early Exposure - ages 12-14	50,000	
Total Job Readiness, Training, and Placement		1,238,000
Library, Recreation, Delinquency Prevention, Education		
Extended Library Children's Hours	300,000	
Off-site Library Services	75,000	
Age Appropriate Reading Materials	25,000	
Rec/Park Youth Services Planner	50,000	
Teen Multi-Service Centers	350,000	
Tutorials/Peer Support	300,000	
Juvenile Detention Diversion	150,000	
Special Needs	250,000	
Total Library, Recreation, Delinquency Prevention, and Education		1,500,000
Total Service Category Expenditures		$5,358,000

II. Administrative Costs

Additional Personnel	$210,000	
Technical Assistance	50,000	
Fiscal/Accounting Services	36,000	
Rent, supplies and equipment	32,000	
Miscellaneous	14,000	
Total Administrative Costs (see Comment No. 6 below)		$ 342,000
Total Proposed Expenditures		$5,700,000

Comments:

1. The $5.7 million estimate for the Children's Fund was first published in the Controller's Statement on Proposition J in the Voter Information Pamphlet issued prior to the election of November 5, 1991, and was based on 1991-92 tax assessments. Ms. Susan Maher of the Controller's Office indicates that this figure is not expected to change significantly in fiscal year 1992-93, since assessed property values are not expected to change significantly over that period.

2. The Controller established certain guidelines in order to estimate baseline expenditures of approximately $49.6 million for children's services which existed prior to enactment of the Charter Amendment. As outlined in the Controller's report of February 3, 1992, these guidelines specify:

(1) The purpose of an appropriation included in the baseline amount must be for services eligible for funding from the Children's Fund under the Charter Amendment;

(2) The included appropriations must have been made from general City sources, and do not encompass restricted or non-discretionary funds;

(3) The included appropriations are limited to direct service costs for children's services. Not included in the baseline estimate are overhead, supervision, maintenance, and other indirect costs.

(4) The Controller notes that baseline amounts will be segregated in 1992-93 departmental budgets to provide a clear means of tracking these appropriations.

The Controller's report notes that the City's budget and appropriations procedures are not presently constructed to permit a reliable identification of baseline appropriations to be made. For this reason, the baseline estimate was based on a survey of departmental programs and expenditures for children's services. The Controller notes that "there may be a need for significant modifications to the attached baseline amounts."

The Budget Analyst notes that estimates of the baseline amount could still be affected by potential reductions in City appropriations for children's services for fiscal year 1991-92.

3. Mr. John Madden, Chief Assistant Controller, did not have sufficient time to explain the details of whether the estimated baseline appropriation for children's services was determined using aggregate City appropriations either for fiscal year 1990-91 or 1991-92 (whichever is greater), or whether the higher appropriation for each City department was first determined, with the baseline estimate representing a sum of the higher appropriations ascertained by the departments. Given the varying methodologies used by all of the City departments involved, Mr. Madden stated that the baseline amount was calculated as required by the Charter, in consultation with the City Attorney's Office and community advocates, and would provide no further information concerning the Controller's interpretation of the Charter's provisions.

Charter Section 6.415(g) states, in part, that "the City shall not reduce the amount of such City appropriations for eligible services... below the higher of the amount so appropriated for the fiscal year 1990-91, or the amount so appropriated for fiscal year 1991-92, in either case as adjusted."

Uncertainty as to whether disaggregated departmental appropriations were used to estimate the baseline amount arises from a Memorandum of November 25, 1991 from the Controller to Department Heads, Boards, and Commissions, which states that, "The Controller is required to calculate the level of existing services for children by determining the greater of General Fund appropriations in 1990-91 or 1991-92 for children's services which are provided by Departments." The Controller's certification of the baseline amount, issued February 3, 1992, contains a list of included Children's services and appropriations, itemized by department, with a caption indicating that the baseline appropriation is "based on higher of 1990-91 or 1991-92 budget." For the reasons stated above, it is not possible to understand how the baseline appropriation estimate was obtained. The possibility therefore remains that the estimated baseline amount of $49.6 million may be higher or lower than total City appropriations for children's services in either 1990-91 or 1991-92.

4. Ms. Rita Boyle, Director of the Mayor's Office of Children, Youth, and Families, states that there is some question as to whether the Controller's estimate of baseline expenditures should be increased because responsibility for financing certain health and social service programs was transferred to the County from the State in fiscal year 1991-92 under the State Legislature's realignment package. The realignment package terminated prior sources of State funding for a number of programs, and provided instead that counties would receive funding through allocations of State vehicle license fees and 1/2 cent sales tax revenues.

Ms. Boyle comments that inclusion of the realignment revenues expended on children's services in fiscal year 1991-92 could increase the estimated baseline appropriations by approximately $800,000, from $49.6 to $50.4 million.

Mr. Madden states that only General Fund revenues are included in the baseline amount, since only discretionary spending is subject to the provisions of the Charter Amendment.

Realignment revenues are not deposited in the City and County's General Fund, but in separate Trust Funds which the State required counties to establish in order to ensure that realignment revenues are used to finance the health and social service programs affected by the realignment. The State allocates realignment revenues, derived from State vehicle license fees and sales tax revenues, to the realignment trust funds.

The Budget Analyst notes that the Charter Amendment provides that the "aggregate City appropriations" in prior years to be included in the baseline amount "shall not include funds granted to the City by private agencies or appropriated by other public agencies and received by the City."

5. The language of the Charter Amendment reflects that the Children's Fund shall be used "exclusively to provide services" to children. Ms. Boyle states that this language implies that the funds are intended to be used for direct costs of service provision, but that the Charter Amendment nowhere states that reimbursements for administrative or indirect costs from the Children's Fund are prohibited. Ms. Boyle observes that programs cannot be delivered without incurring administrative expenses, and she therefore indicates that funding for the children's programs proposed in the Mayor's Children's Services Plan will include payments for indirect costs. She indicates that the actual amounts of such costs to be allowed will be determined when Requests for Proposals are prepared and issued by the Mayor's Office.

6. Administrative costs of $342,000 are included in the Children's Services Plan to finance the expansion of the Mayor's Office of Children, Youth, and Families to administer new children's programs. Ms. Boyle indicates that the figures for administrative costs are still preliminary, and cannot be itemized with precision. She notes that these expenses will be included in the Mayor's proposed budget for 1992-93, and will be subject to normal budgetary procedures for review and approval.

7. The Budget Analyst notes that the proposed expenditures for new or expanded children's services, as presented in the Mayor's Children's Services Plan, do not satisfy the requirement stated in the Charter Amendment for minimum expenditures of 25 percent of the Children's Fund for each of three categories of service. Twenty-five percent of the estimated $5.7 million Children's Fund is $1.425 million.

However, the size of the discrepancy depends on the dollar amount of the required 25 percent minimum expenditure in each category, which varies according to the treatment of the Mayor's administrative costs of $342,000.

If an assumption is made that minimum expenditures for the three specified areas of service must be $1.425 million (25 percent of the $5.7 million Children's Fund), then the Mayor's proposed allocations fall short of the minimum levels of service by $145,000 ($1.425 million less $1.28 million in proposed expenditures) in Childcare, by $85,000 ($1.425 million less $1.34 million in spending) in Health and Social Services, and by $187,000 ($1.425 million less $1.238 million in spending) in Job Readiness.

Ms. Boyle reports that she has not adopted this interpretation, but has instead deducted a 25 percent share ($85,500) of the Mayor's total administrative costs ($342,000) from the 25 percent of the Children's Fund ($1,425,000) required to be expended for programs in each of three service categories. The minimum level of expenditure in each category using this formula is $1,339,500.

Using this method, the proposed allocations fall short of the required minimum by $59,500 in Childcare ($1,339,500 less $1.28 million), and by $101,500 in Job Readiness ($1,339,500 less $1.238 million), but exceed the minimum by $500 in Health and Social Services ($1,340,000 in funding less $1,339,500 required).

Ms. Boyle indicates that the Children's Services Plan reflects a number of proposed collaborative, interdisciplinary efforts, and states that the categorical funding provisions of the Charter Amendment do not lend themselves to the objectives of the Mayor's Office to encourage extensive cross-system linkages. Ms. Boyle indicates that because these will be multi-disciplinary efforts it is possible to reassign the programs among categories to conform to the minimum levels of expenditure by category as specified in the Charter Amendment. Ms. Boyle also indicates that the $250,000 Special Needs allocation, now included in Libraries, Recreation, Delinquency Prevention, and Education, will actually be used to fund programs in all areas of eligible service and may therefore be re-allocated to meet all or part of the 25 percent minimum funding requirements.

8. The Mayor's Children's Services Plan reflects that some of the proposed expenditures from the Children's Fund can be used to leverage Federal and State sources of additional funding. Ms. Boyle indicates, based upon her consultations with budget and planning officials in City departments, that these amounts are expected to become available to the City during fiscal year 1992-93 in support of the designated programs.

The programs listed in the Children's Services Plan which reflect opportunities to receive additional State or Federal funding are:

Program	Recommended Administrator	Proposed Allocation Children's Fund	Source of Additional Funding	Amount of Additional Funding
Children's Centers	SFUSD	$80,000	Proposition 98	$500,000
Nurse-AFDC Intake	DSS	25,000	CHDP	75,000
G.Gate Sch. Health Center	SFUSD	25,000	CHDP	75,000
Healthy Start	SFUSD/DPH/ DSS	100,000	SB620	300,000
Teen GAIN	DSS	225,000	Title IV	225,000
Voc. Counseling - Foster Children	DSS	28,000	FILS	28,000
Totals		$483,000		$1,203,000

SFUSD = San Francisco Unified School District
DSS = Department of Social Services
DPH = Department of Public Health
CHDP = State Child Health and Disabilities Program
FILS = Federal Independent Living Skills Program
SB620 = California Healthy Start Program

The Budget Analyst notes that these anticipated Federal and State subventions would probably not alter the requirements for the allocation of City revenues for children's services pursuant to the Charter Amendment.

Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Alioto
Supervisor Shelley
Supervisor Achtenberg
Supervisor Hallinan
Supervisor Hsieh
President Ward
Supervisor Britt
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Kent Sims
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Ted Lakey

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CALENDAR

MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 12, 1992 – 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: BARBARA STAVRO-TAYLOR

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

a. File 146-92-1. [Grant – Federal Funds] Resolution authorizing the Department of Public Health, AIDS Office, to apply for a continuation grant not to exceed $15,000,000 from the Health Resources and Services Administration to continue funding the Ryan White Comprehensive AIDS Resources Emergency (Care-Title I Supplemental) Disaster Relief Grant; waiving indirect costs. (Dept. of Public Health)

b. File 146-92-2. [Grant – Private Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, to accept and expend a grant of $600,000, which includes indirect costs in the amount of $20,022, based on four percent of the grant's budgeted costs for personnel, office operations, travel and consulting costs, from the Robert Wood Johnson Foundation, for outreach health services for high risk immigrant/refugee children and their families. (Dept. of Public Health)

c. File 146-92-4. [Grant – Federal Funds] Resolution authorizing the Department of Public Health, Bureau of Epidemiology and Disease Control, Tuberculosis Control Division, to apply for a grant of $1,262,902, which includes indirect costs in the amount of $126,286 based on twenty percent of salaries, from the Department of Health and Human Services for the Tuberculosis Control Project. (Dept. of Public Health)

d. File 146-92-5. [Grant – State Funds] Resolution authorizing the Department of Public Health, Bureau of Epidemiology and Disease Control, to apply for a grant of $508,884, which includes indirect costs in the amount of $36,831 based on twenty percent of salaries, from the State Department of Health Services for the Hepatitis B Immunization Demonstration Project. (Dept. of Public Health)

e. File 146-92-7. [Grant – State Funds] Resolution authorizing the Department of Public Health, EMS Agency, to apply for a grant of $45,700 which includes indirect costs in the amount of $3,200, based on twenty percent of salaries from State Emergency Medical Services Authority, for development of a registry of emergency pediatric patients. (Dept. of Public Health)

ACTION: Items 1b, 1c and 1d severed. Remainder Recommended.

Item 1b, File 146-92-2. Amended. Add "placing reserve on $73,639". Recommended as Amended.

Item 1c, File 146-92-4. Amended. Add to apply "retroactively". Recommended as Amended.

Item 1d, File 146-92-5. Amended. "Authorizing the Department of Public Health, Bureau of Epidemioloy and Disease Control, to apply for a grant of $510,628, which includes indirect costs in the amount of $35,666, based on 20% of salaries from State Department of Health Services, for the Hepatitis B Immunization Demonstration Project." Recommended as Amended.

REGULAR CALENDAR

2. File 100-91-9. Hearing to consider a mid-year budget review consisting of an assessment of the impact of the current economic recession on the fiscal integrity of City operations and the 1991-92 budget. (Supervisor Gonzalez)
(Cont'd from 2/5/92)

ACTION: HEARING HELD. CONTINUED TO FEBRUARY 19, 1992.

3. File 97-91-43. [Prevailing Wages, Leases] Ordinance amending Administrative Code by adding Section 6.36-A, extending prevailing wage requirements to certain construction projects on privately owned property leased by the City and County, as tenant. (Supervisor Hallinan)
(Cont'd from 1/29/92)

ACTION: AMENDMENT OF THE WHOLE ADOPTED. (Add to title "effective July 1, 1992".) RECOMMENDED AS AMENDED.

4. File 53-92-1. [Sewer Construction Financing] Resolution finding and determining that the Mariposa combined sewer overflow control facilities will protect and preserve the environment and that the use of loan funds is the most cost-effective method of financing the project; authorizing the Director of Public Works to apply for and enter into loan agreements not to exceed approximately $10 million. (Supervisor Gonzalez)

ACTION: CONTINUED TO FEBRUARY 19, 1992.

5. File 123-91-2.1. Hearing to consider status report outlining the security bond process by which the Department of Public Works may accept a security bond in lieu of a cash deposit as provided for in Article 15, Section 724.3 of the Public Works Code. (Supervisor Gonzalez)
(Cont'd from 2/5/92)

ACTION: HEARING HELD. FILED.

6. File 187-92-1. [Trial Court Funding] Resolution electing to become subject to the provisions of the State Trial Court Funding Program for the period of July 1, 1992, through June 30, 1993. (Controller)

ACTION: RECOMMENDED.

7. File 146-92-3. [Grant - State] Resolution rescinding Resolution Nos. 453-91 and 917-91, and authorizing the Department of Public Health, Community Public Health Services, Family Health Bureau to accept and expend a grant from the California Department of Health Service, Office of Family Planning, Contract 91-12510-A2, in the amount of $1,206,415 for family planning services, providing for ratification of action previously taken; for a grant period of July 1, 1991 to June 30, 1994; waiving indirect costs, and granting the Director of Health Authority to sign any subsequent amendments up to $1,500,000 during the contract period. (Dept. of Public Health)
(Cont'd from 2/5/92)

ACTION: AMENDED. RECOMMENDED AS AMENDED. (See file for details.)

8. File 38-91-22. [Acceptance of Gift] Resolution accepting a gift to the San Francisco Public Library of up to $1,500,000 from the Library Foundation of San Francisco for lease/purchase of library automation system. (Public Library)
(Rereferred from Board 1/21/92)

ACTION: RECOMMENDED.

9. File 101-89-34.7. [Release of Funds] Requesting release of reserved funds, Public Library, in the amount of $816,300, for the Sunset Branch Library Renovation Project. (Public Library)

ACTION: HEARING HELD. RELEASE OF $816,300 RECOMMENDED. FILED.

10. File 172-92-1. [Highway Maintenance] Resolution approving Amendment No. 1 to the Agreement for Maintenance of State Highways in the City and County of San Francisco, authorizing the Mayor and the Clerk of the Board to sign Amendment No. 1 to said Agreement. (Dept. of Public Works)
(Recommended from Economic and Social Policy Committee 1/28/92 - Fiscal Impact)

ACTION: RECOMMENDED.

11. File 114-91-11. [B.B.I. Fee Schedule] Ordinance amending Building Code by amending Section 333.3 relating to the fee for Energy Reports and Certificates. (Dept. of Public Works)
(Cont'd from 1/29/92)

ACTION: AMENDED. RECOMMENDED AS AMENDED. (Fee increased to $9.50)

12. File 101-90-78.1. [Release of Funds] Requesting release of reserved funds, Department of Public Works, 1990 Earthquake Safety Bond Program Phase 2, in the amount of $1,034,000, for San Bruno Men's Jail, to fund a seismic strengthening study, architectural and engineering services and various interim construction projects. (Dept. of Public Works)

ACTION: HEARING HELD. RELEASE OF $834,000 RECOMMENDED. FILED.

13. File 100-91-1.17. [Release of Funds] Requesting release of reserved funds, Department of Public Works, Environment Regulation and Management, in the amount of $28,200 to purchase computer hardware and software equipment. (Dept. of Public Works)
(Cont'd from 2/5/92)

ACTION: CONTINUED TO FEBRUARY 19, 1992.

14. File 100-91-1.18. [Release of Funds] Requesting release of reserved funds, Department of Public Works, Environment Regulation and Management, in the amount of $3,800 to purchase computer hardware and software equipment. (Dept. of Public Works)
(Cont'd from 2/5/92)

ACTION: CONTINUED TO FEBRUARY 19, 1992.

15. File 64-92-1. [Assignment of Lease of Real Propety] Resolution authorizing assignment of lease of real property at 1390 Market Street, Suite 1010, San Francisco for the City Attorney's Office. (Real Estate Dept.)
(Cont'd from 1/29/92)

ACTION: RECOMMENDED.

16. File 68-92-3. [Shelter Plus Care Funds] Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept and administer a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed three million seven hundred thousand dollars for the Shelter Plus Care Program authorized under Section 837 of the National Affordable Housing Act of 1990, Public Law Number 101-625; there will be no direct or indirect costs associated with the acceptance of these grant funds. (Mayor)

ACTION: RECOMMENDED.

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ATTN: Gerry Roth

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 10, 1992

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TO: Finance Committee

FROM: Budget Analyst

SUBJECT: February 12, 1992 Finance Committee Meeting

Item 1a - File 146-92-1

Department:	Department of Public Health, AIDS Office
Item:	Resolution authorizing the Department of Public Health, AIDS Office, to apply for a continuation grant to continue funding the Ryan White Comprehensive AIDS Resources Emergency (CARE) Title I Supplemental Disaster Relief Grant; waiving indirect costs
Grant Amount:	Not to exceed $15,000,000
Grant Period:	April 4, 1992 to April 3, 1993
Source of Funds:	U.S. Health Resources and Services Administration
Project:	Comprehensive AIDS Resources Emergency Services
Description:	The proposed continuation grant would be the second year of an on-going grant, and would support comprehensive AIDS-related services, including housing and residential care, counseling, advocacy, food, early HIV intervention services, case management, and institutionally-based care.
Grant Budget:	To be provided when the Department requests authorization to accept and expend the proposed grant
Required Match:	None
No. of Persons Served:	Population of San Francisco

Indirect Costs: Not allowed by funder

Comments:

1. The current grant amount from April 4, 1991 to April 3, 1992, was $6,319,965. Mr. Tim Piland of the DPH advises that although the Department plans to apply for $15,000,000 for 1992-93, the proposed grant is competitive and the amount that would be awarded to the DPH is unknown at this time.

2. No budget details are currently available for the proposed grant. The DPH will provide such details when it requests authorization to accept and expend the proposed grant.

3. According to Mr. Piland, the current grant would support approximately 4 FTEs. If the proposed grant were reduced or terminated, Mr. Piland reports, personnel would be reduced or terminated accordingly.

4. Indirect costs are not included in the proposed grant because such costs are not allowed by the U. S. Health Resources and Services Administration, the grantor. However, the proposed grant would include five percent administrative costs, which would cover secretarial, clerical, accounting, and other administrative costs incurred in the DPH because of the proposed grant.

5. A Disability Access Checklist has been prepared by the Department and is in the file.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 1b - File 146-92-2

Department: Department of Public Health
Community Public Health Services

Item: Resolution authorizing the Department of Public Health to accept and expend a private foundation grant of $600,000, including indirect costs of $20,022 based on four percent of the grant's budgeted costs for personnel, office operations, travel and consulting costs, for outreach health services for high risk immigrant/refugee children and their families.

Grant Amount: $600,000

Grant Period: March 1, 1992 to February 28, 1995 (3 years)

Source of Funds: Robert Wood Johnson Foundation

Project: Child Health Initiative for Immigrant/Refugee Newcomers

Description: The Child Health Initiative for Immigrant/Refugee Newcomers (CHIRN) is a new program of the Department of Public Health, Community Public Health Services (DPH), which will address the lack of health care access for immigrant or refugee children, also known as "newcomer" children. CHIRN will involve a collaborative effort of DPH, the San Francisco Unified School District (SFUSD), and the Department of Social Services (DSS). Grant funds are available for the project from the Robert Wood Johnson Foundation, which is supporting pilot projects in eight cities for restructuring the financing and delivery of publicly-funded health services for children.

CHIRN's three primary objectives over the 3-year grant period will be: 1) to develop an ongoing mechanism for data collection and analysis which will expand the scope of information on the newcomer child population; 2) to develop and implement a pilot program to coordinate access to health services for high risk newcomer children; and 3) to explore and develop fiscal strategies which will maximize Federal and State resources for children's health care, and to identify policy and regulatory barriers in State and Federal programs which may impede the delivery of health care services to children.

The first year of the project will emphasize efforts to improve health data collection and to plan fiscal strategy development. In the second and third years, the project will be dedicated exclusively to outreach and case management activities focusing on the newcomer child target population, and on the direct provision of medical services to this population through new sources of funding.

Grant Budget:

	Year 1		Year 2		Year 3		
	FTE	Amount	FTE	Amount	FTE	Amount	Total
Personnel							
Project Coordinator	.50	$31,000	.50	$32,400	.48	$32,160	$95,560
Program Planner	.50	21,000	–	–	–	–	21,000
Health Worker	.42	11,900	1.50	45,000	1.50	46,500	103,400
Clerk	1.0	29,250	1.00	31,000	1.00	32,000	92,250
Mental Health Educator	0.0	0	.19	8,669	.18	8,670	17,339
Annual Salaries		93,150		117,069		119,330	$329,549
Fringe (22.27 percent)		20,745		26,071		26,575	73,391
	2.42		3.19		3.16		
Total Personnel		$113,895		$143,140		$145,905	$402,940
Office Operations							
Supplies		700		900		900	2,500
Printing		1,255		–		–	1,255
Duplicating		1,265		1,400		1,400	4,065
Telephone		1,000		1,799		1,634	4,432
Postage		500		600		600	1,700
Total Office Operations		4,720		4,699		4,534	13,952
Travel		3,880		5,180		5,180	14,240
Consultant Services		44,000		14,000		11,400	69,400
Subtotal, including Personnel		166,495		167,019		167,019	500,533
Indirect Costs (4 percent of items above)		6,660		6,681		6,681	20,022
Equipment		5,645		–		–	5,645
SFUSD Subcontract		21,200		26,300		26,300	73,800
Total Budget		$200,000		$200,000		$200,000	$600,000

Required Match: None

No. of Persons Served: The program will conduct outreach to 180 immigrant/refugee families with an average of three children in each family (540 children).

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Indirect Costs: Four percent, or $20,022 of the total budgeted cost of $500,533 for personnel, office operations, travel, and consulting. Indirect costs will be awarded in the amount of $20,022, due to rounding effects over the three year budget period.

Comments:

1. Authorization to apply for the proposed grant was approved by the Board of Supervisors on November 21, 1991 (Resolution No. 1000-91).

2. The proposed grant includes equipment expenditures of $5,645 in the first year. This budget item reflects proposed expenditures of $4,229 for computer equipment, including 8.25 percent tax, and $1,416, including 8.25 percent tax, for office furniture and a typewriter. The proposed computer equipment consists of the following items:

Item	
Macintosh IIsi (3/40)	$2,652
SINuBu & Coprocessor	171
13" Color Monitor	687
12" gray scale monochrome	198
Extended keyboard	154
50 to 50 cable	45
	$3,907
Sales Tax (8.25 percent)	322
	$4,229

The sales tax rate in San Francisco County increased to 8.5 percent effective February 1, 1992. Dr. Reiko True of DPH reports that adjustments will be made in the budget items, following consultations with the Robert Wood Johnson Foundation, to compensate for the tax increase.

The expected cost of the computer purchases ($3,907) plus sales tax of 8.5 percent ($332, for a total of $4,239) should be placed on reserve pending approval of the proposed purchases by the Electronic Information Processing Steering Committee.

3. Travel expense is budgeted as $14,240 over the three year period. These funds will be used for local travel estimated to be 140 miles per week by three staff in the first year and 240 miles per week by four staff in both the second and third years. Out-of-town travel is estimated to cost $2,200 in the first year and $2,280 in each later year to enable the attendance of two staff members at an annual convention to be convened by the Robert Wood Johnson Foundation for planning and coordination.

4. Three consultants will be used in the first year of the project for a total of $44,000. A Fiscal Planner, budgeted at $10,000, will assist the project staff in investigating new strategies to obtain State and Federal funding to provide medical services to newcomer children, and assist the program in establishing accounting systems for purchase of service agreements which are expected to be entered into as new sources of funding are identified and accessed for medical services for newcomer children. A Systems Analyst, also budgeted at $10,000, will develop a Management Information System for use in fiscal management and data collection, and will advise the project concerning the integration of its information resources with existing data systems. An Epidemiologist, budgeted at $24,000, will plan and direct the implementation of survey instruments and procedures to collect health data concerning children, including newcomer children, in San Francisco.

Consultant services are budgeted at $14,000 in the second year and at $11,400 in the third year, to provide continued consultations in fiscal planning and to provide for consultancy in program evaluation.

Dr. True indicates that consultants will be selected through a Request for Proposal process, but that consultants have not yet been identified. The funds for consulting services, in the total amount of $69,400, should therefore be placed on reserve pending identification of the consultants.

5. The budget includes a subcontract with the San Francisco Unified School District (SFUSD) in the amount of $73,800 over three years. The subcontract will enable SFUSD to hire a part-time (.75 FTE) community worker to assist the project in screening newcomer children at SFUSD's Educational Placement Center. Children identified through this process as being high-risk or having inadequate access to health care resources will be targeted by the project for further outreach and case management services.

6. Authorization is being requested to accept and expend grant funds for the period March 1, 1992 to February 28, 1995. Dr. True advises that formal approval of the grant application is expected before the end of March, and that the three year grant period will begin only upon receipt of funds.

7. Attached is the Summary of Grant Request prepared by DPH.

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Recommendations: Amend the proposed resolution to place on reserve a total of $73,639 ($69,400 for consultants' services and $4,239 for computer equipment).

Approve the proposed resolution, as amended.

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Grantor R.W. Johnson Foundation
Contact Person Michael Beachler
Address Route 1, College Road
Princeton, NJ 08543-2316
Amount Requested $ 600,000
Term: From 3/1/92 To 2/28/95
Health Commission ______

Division Community Public Health Svcs.
Section ---
Contact Person Reiko Homma True, Ph.D.
Telephone (415) 255-3646
Application Deadline 11/13/91
Notification Expected 1/92
Board of Supervisors: Finance Committee ______
Full Board ______

I. Item Description: (Circle appropriate words) Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $600,000 from the period of 3/1/92 to 2/28/95 to provide outreach health services.

II. Summary: (Community need addressed; number + groups served; services and providers)
The project will develop and implement data collection and outreach services and develop fiscal strategies for high risk, under-served immigrant/refugee children and their families. One hundred eighty (180) families with average three (3) children in each families will be selected for outreach services.

III. Outcomes/Objectives:
(1) Develop health data collection mechanism; (2) develop fiscal strategies to maximize Federal and State resources; and (3) create network of health services for target population.

IV. Effects of Reduction or Termination of These Funds:
Project will be designed to develop fiscal strategies to continue outreach services through State and Federal resources.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount	N/A	N/A	$600,000	N/A	N/A	
Personnel			402,940			
Equipment			5,646			
*Contract Svc.			143,200			
Mat. & Supp.			13,952			
Facilities/Space			—			
Other			14,240			
Indirect Costs			20,022			
VI. Data Processing (amts included above)			3,908			
VII. Personnel						
F/T CSC			3			
P/T CSC			5.77			
Contractual						

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
Short Doyle; State

Will grant funded employees be retained after this grant terminates? If so, How?
No

*VIII. Contractual Services: Open Bid X Sole Source ______ (If sole source, attach Request for Exemption Form)

3.15.1

Item 1c - File 146-92-4

Department:	Department of Public Health (DPH) Communicable Disease Control, Tuberculosis Control Division
Item:	Resolution to apply for a continuation Federal grant which includes indirect costs of $126,286 based on 20 percent of salaries for the Tuberculosis Control Project.
Amount of Grant:	$1,262,902
Source of Grant:	U.S. Department of Health & Human Services Centers for Disease Control
Grant Period:	April 1, 1992 through March 31, 1993
Project:	Tuberculosis Cooperative Agreement Project and HIV/TB Prevention Project
Description:	The proposed grant funds would be used to complement existing services which are offered at the Tuberculosis Clinic at San Francisco General Hospital. Specifically, the grant funds would be used for two projects, the "Tuberculosis Cooperative Agreement Project" and an "HIV/TB Prevention Project." The "Tuberculosis Cooperative Agreement Project" would complement existing medical services by increasing outreach to people who are at high risk of contracting tuberculosis and would provide funding for the "directly observed therapy" outreach program for patients with active tuberculosis, which allows DPH personnel go into the community to bring medication to patients who cannot or would not take their medication on their own because of alcohol abuse or homelessness. DPH personnel would also provide translations services for multi-lingual clientele in the Tuberculosis Clinic. The "HIV/TB Prevention Project" would provide for the administration of observed preventative therapy for IV drug users who are infected with the tuberculosis organism, but are not yet ill. Preventive therapy would be provided at the following four methadone maintenance sites: San Francisco General Hospital's Substance Abuse Services Division, Haight Ashbury Free Medical Clinic, Bayview Hunters Point Methadone Treatment Program, and at Westside Methadone Treatment.
Indirect Costs:	$126,286 or 20 percent of salaries.

Required Match: None

Comments:

1. Mr. Tony Paz, the Tuberculosis Control Division Program Manager at the DPH reports that the application for the proposed grant is February 14, 1992. The soonest the proposed resolution would go to the full Board of Supervisors meeting would be February 18, 1992, which would be after the DPH has applied for the proposed grant funds. Therefore, the proposed resolution should be amended to authorize the DPH to apply for the proposed grant funds retroactively.

2. Mr. Paz indicates that the project budget details would be provided by the DPH when the Department requests authorization to accept and expend the proposed grant funds.

3. The DPH has completed a Disability Access Checklist which is in the file.

Recommendation: Amend the proposed resolution to authorize the DPH to apply for the proposed grant funds retroactively. Approve the proposed resolution as amended.

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Item 1d - File 146-92-5

Department:	Department of Public Health, Community Public Health Services, Bureau of Epidemiology and Disease Control
Item:	Resolution authorizing the Department of Public Health to apply for a grant of $508,884, including indirect costs of $36,831 (20% of salaries) from the State Department of Health Services for a Hepatitis B Immunization Demonstration Project.
Grant Amount:	$508,884
Grant Period:	March 1, 1992 to December 31, 1992 (eight months)
Source of Funds:	California Department of Health Services
Project:	Universal Infant Hepatitis B Immunization Demonstration Project
Description:	The Hepatitis B Immunization Demonstration Project is intended to demonstrate the efficacy of three types of intervention strategies which will form the basis of efforts by the Department of Public Health (DPH) to eliminate the transmission of Hepatitis B in San Francisco. The program will augment existing perinatal Hepatitis B prevention programs which identify pregnant women who carry Hepatitis B and provide appropriate prophylaxis to these women, their children, and members of their households. The Demonstration Project will add three new components to DPH's Hepatitis B prevention efforts: Program A: To assure the immunization against Hepatitis B of all infants (approximately 14,000) born in San Francisco each year; Program B: To provide Hepatitis B and measles vaccine to approximately 50 percent of all 6th grade students in the San Francisco public schools; and, Program C: To provide Hepatitis B vaccine to private clinicians and public health clinics in order to immunize children under the age of seven in families at high-risk of Hepatitis B.

The Demonstration Project is expected to be a three year program. The proposed grant will fund the program for eight months, from March 1, 1992 to December 31, 1992. A new grant application will be proposed for program expenses beginning January 1, 1993, with subsequent applications for additional funding to be made thereafter.

Project Budget:

Personnel	FTE			
Project Director	.67		$35,584	
Administrative Assistant	.67		26,720	
Health Educator	.67		34,320	
Sr. Data Entry Operator	.67		19,120	
Health Worker II	.67		19,416	
Secretary II	.67		22,176	
Sr. Clerk Typist	.67		20,056	
Epidemiologist (40 hours)	.02		938	
Total Salaries			178,330	
Fringe Benefits (27%)			48,149	
Total Personnel	4.71			$226,479
Operating Expenses				
Office Furniture			5,000	
Office Supplies			2,500	
Clinic Supplies			1,500	
Computer Equipment (two personal computers and one laser printer)			6,000	
Refrigerators (2)			6,000	
Health Education Materials (including translations)			20,000	
Travel			4,500	
Rent (8 months)			9,750	
Telephones			5,600	
Total Operating Expenses (exclusive of contractual services)				60,850
Contractual Services				
Media Relations/Outreach			25,000	
Evaluation			18,000	
Hospital Reimbursement			100,000	
S.F. Unified School District				
School Nurse - Salary		$21,498		
Health Worker - Salary		14,562		
Fringe Benefits (21 percent)		7,573		
Travel		500		
Office Supplies		500		
SFUSD Subtotal			44,633	
Total Contractual Services				187,633

Total Direct Costs	$474,962
Indirect Costs (20% of salaries excluding fringe benefits))	35,666
Total Grant Budget	$510,628

Required Match: None

No. of Persons to be Served: The Demonstration Project will attempt to vaccinate approximately 14,000 newborn infants, 2,378 6th grade students, and 1,000 children in high-risk families (a total of 17,378 children) against Hepatitis B.

Indirect Costs: $36,831, which should be amended to reflect a proposed grant budget of $35,666 in indirect costs (20 percent of salaries).

Comments: 1. Mr. Carlos Rendon of DPH reports that the proposed budget for the project has been revised since submission of the proposed resolution to the Clerk of the Board. The proposed grant budget, as reflected above, is now $510,628 rather than $508,884, including a revised request for indirect costs in the amount of $35,666, rather than $36,831. The proposed resolution should therefore be amended to authorize DPH to apply for grant funds in the amount of $510,628, including indirect costs in the amount of $35,666, based on 20 percent of salaries.

2. The budget justification to be submitted with the proposed grant application reflects the following information concerning estimated project costs:

(a) The budget includes $5,000 for office furniture for eight project staff, $2,500 for office supplies, and $1,500 for clinic supplies for the school-based immunization program.

(b) The budget for equipment, totalling $12,000, includes two personal computers, a laser printer, and two refrigerators for storage of vaccine.

Mr. Rendon states that the proposed computer purchases would be submitted to the Electronic Information Processing Steering Committee (EIPSC) for approval.

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(c) Funds for health education materials, budgeted at $20,000, will be used to develop information resources concerning Hepatitis B and translations of these materials into at least five and as many as nine languages. DPH reports that in 1990 approximately 49 percent of all births in San Francisco were to women born outside of the United States.

(d) Funds for media relations/outreach contractual services ($25,000) are included to augment the printed health education materials, to include advertisements in newspapers and periodicals and other types of media outreach. These activities will be undertaken in addition to the use of publicly supported information resources, such as public service announcement broadcasts.

Mr. Rendon indicates that the contract for these services will be awarded through a Request for Proposal process to begin in June or July 1992, with due consideration to proposals submitted by MBE/WBE firms.

(e) Funds in the amount of $18,000 are budgeted for an evaluation of the effectiveness of the Demonstration Project. DPH reports that basic evaluations of the immunization data will be performed by the staff epidemiologist, but that more extensive evaluations, estimated to cost $18,000, will also be performed which will require either additional staff time or the services of an outside consultant. DPH indicates that the strategy for the evaluation component has not yet been determined, but that it will consist of efforts to determine reasons for non-completion of the vaccination series by targeted groups. This could involve incentive analysis of hospital records, development of interview protocol, and parental focus groups.

If contractual services are used, they will be the subject of a Request for Proposal process. If DPH staff are used instead, the funds will be reallocated to the personnel item in the proposed budget. DPH will identify the staff or contractual service needs for the grant when authorization to accept or expend this grant is requested from the Board of Supervisors. Mr. Rendon has indicated that costs of evaluation will be incurred primarily at the end of the grant period (ending December 31, 1992).

(f) The Hospital Reimbursement in the amount of $100,000 will be used to provide financial incentives to local hospitals to participate in the Hepatitis B prevention program by offsetting costs they may incur in the vaccination of all newborn infants in San Francisco. According to DPH, additional part-time personnel at local hospitals could be supported through these funds, or a fee for service could be provided. Mr. Rendon indicates that the contractual mechanism which will be used to provide this financial incentive has not yet been determined by DPH, but that specific details will accompany a proposed resolution by the Board of Supervisors authorizing the acceptance and expenditure of the proposed grant funds.

(g) Contractual services also include $44,633 to be provided to the San Francisco Unified School District for a program to vaccinate 6th grade students against Hepatitis B. The proposed expenditure includes funds for a School Health Nurse and a Health Worker, as well as for travel expenses among five school sites and supplies.

(h) The proposed grant budget includes $4,500 for travel, which includes out-of-State travel by a project representative to attend meetings with officials at the Centers for Disease Control, and local travel by project staff to coordinate activities at a number of sites and to deliver vaccines.

(i) The proposed budget includes rental expense in the amount of $9,750 over eight months or approximately $1,219 per month. This amount will be used to expand existing rental space which now houses other DPH health education staff. Telephones will be installed in the new location, involving fixed, one-time costs of $2,600, and telephone charges of approximately $375 for the eight months for the 8 new lines.

2. The terms and conditions of the grant application include a stipulation that personnel positions itemized in the proposed budget shall not be subject to any policy decisions of the City to refrain from filling vacant positions. Dr. Geraldine Oliva of DPH reports that the California Department of Health Services has added this clause to grant contracts due to the City's adoption of the Catastrophically Ill Program (CIP), which allows City employees to transfer accrued sick leave and vacation benefits to catastrophically ill employees. Under this provision, the salary costs of grant-funded employees who become catastrophically ill and receive benefits under CIP will be shifted to the General Fund, since the positions cannot remain vacant, and grant funds will continue to be used to pay for the salary costs of other employees working in the positions formerly occupied by the catastrophically ill employees.

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3. As noted above, Mr. Rendon states that the proposed computer purchases would be submitted to the Electronic Information Processing Steering Committee (EIPSC) for approval prior to the acceptance and expenditure of the grant funds.

Recommendations: 1. Amend the proposed resolution 1) to reflect a proposed grant amount of $510,628, instead of $508,884, and 2) to include indirect costs of $35,666 instead of $36,831.

2. Approve the proposed resolution, as amended.

Item 1e - File 146-92-7

Department: Department of Public Health (DPH), Emergency Medical Services (EMS) Agency

Item: Resolution authorizing the Department of Public Health, EMS Agency, to apply for a new State grant of $45,700, which includes indirect costs in the amount of $3,200, based on 20 percent of salaries, for development of a registry of emergency pediatric patients.

Grant Amount: $45,700

Source of Funds: State Emergency Medical Services (EMS) Authority

Grant Period: June 27, 1992 to June 24, 1993

Project Description: The proposed State grant would be used by DPH, EMS Agency to develop a computerized registry of pediatric patients treated by Emergency Medical Services (911) ambulances. The DPH advises that the purpose of the computerized registry is to monitor care given to these patients by paramedics and to assess the outcome of care given. The grant funds will specifically provide for the development of computer software and the collection of data from all 911 ambulance services and emergency departments. Additionally, based on the data collected, standard reports would be developed and distributed to EMS providers and the State EMS Authority.

Indirect Costs: $3,200

Required Match: None

Comments: Ms. Abbie Yant of the EMS Agency reports that a detailed budget for this project will be provided at the time that the Department submits its request to the Board of Supervisors for authorization to expend the proposed State grant.

Recommendation: Approve the proposed resolution.

Item 2 - File 100-91-9

Note: This item was continued by the Finance Committee at its meeting of February 5, 1992.

This item is a hearing to consider a mid-year budget review, consisting of an assessment of the impact of the current economic recession on the fiscal integrity of City operations and the 1991-92 budget.

Representatives from the five largest General Fund departments in the City, which includes the Department of Public Health (DPH), the Municipal Railway (MUNI), the Department of Social Services (DSS), the Police Department and the Fire Department attended the Special Finance Committee Meeting on January 16, 1992 to present information regarding the status of their Fiscal Year 1991-92 budgets. The issues of Police overtime, workers compensation, City Attorney interdepartmental reimbursements, General Assistance and Federal and State funding shortfalls were also addressed by these departments, as well as the Budget Analyst and the Controller. Each of these five departments were requested to submit a report to the Finance Committee, covering both short term and long term issues and options and outlining possible ways to reduce their expenditures. In addition, these departments were requested to meet with the Budget Analyst, the Mayor's Office and the Controller to discuss various reductions that can be implemented in their 1991-92 budgets.

The amount of the 1991-92 Fiscal Year General Fund budget included in the City's $2.4 billion total 1991-92 Fiscal Year budget is approximately $1.3 billion. The 1991-92 Fiscal Year budgets, and the number of full-time authorized positions, as approved by the Board of Supervisors, for the five largest General Fund departments, are as follows:

Department	Amount	Number of Full-Time Authorized Positions
DPH	$489.9 million	5,870
MUNI	279.6 million	3,338
DSS	276.9 million	1,275
Police	184.6 million	2,468
Fire	149.4 million	1,605
Totals	$1,380.4 billion*	14,556**

* Includes non-General Fund monies.

** Total full-time authorized positions for all City Departments in Fiscal Year 1991-92 is 25,094.

On January 13, 1992, the Controller's Office issued their fourth Critical Financial Issues report, which tracks key items for Fiscal Year 1991-92 through November, 1991. The key revenue items include property transfer taxes, traffic fines and MUNI fares and the key expenditure items include Police overtime/extended work week, General Assistance, Workers Compensation, City Attorney departmental reimbursement and Superior Court fees and compensation. The following is provided as additional information on various key expenditure items:

Police Department Uniform Overtime and Extended Work Week

The Controller's Critical Financial Issues Report for the period July 1, 1991 to November 30, 1991 states that the Police Department has spent $3.989 million out of the twelve-month budget of $4.465 million for uniform overtime and extended work week. The Controller's report adds that the Department intends to recover $500,000 from the Housing Authority and transfer $1.2 million from unspent salary and fringe benefit savings to offset the anticipated need for a supplemental appropriation.

According to the Police Department's estimates, which are largely substantiated by spending trends this fiscal year, an overexpenditure of $3.7 million for uniform overtime and extended work week (overtime payments for such items as events and demonstrations) can be anticipated even after the transfer of $1.2 million in excess salary and fringe benefit savings and $500,000 collections from the Housing Authority described above.

In addition to overtime and extended work week, the Department expects to overspend Holiday Pay by approximately $300,000 and uniform differential pay by an unspecified amount. Some of these overexpenditures, totalling approximately $4.0 million, will be offset by savings in other accounts. The amount of such savings cannot be estimated at this time.

The Chief of Police has reportedly instituted new controls on expenditures for extended work week and certain types of overtime. For instance, no extended work week pay will be authorized for anything other than demonstrations and planned special events (such as Cinco de Mayo and the Gay Freedom Day Parade). Special law enforcement projects which have formerly been conducted by officers assigned to extended work week duty will now be conducted by on-duty details.

Miscellaneous overtime expenditures will also no longer be authorized without prior approval by a Deputy Chief. However, this is a small portion of total overtime expenses. Most uniform overtime is subject to limited management control over such matters as court appearances (primarily scheduled by the District Attorney), arrest time and investigations.

General Assistance

The Department of Social Services appropriation for General Assistance aid payments for FY 1991-92 is $42,819,374. In the annual budget review, the Budget Analyst had commented that the proposed appropriation for General Assistance was understated by between $3.5 to $5 million.

As of November 30, 1991, General Assistance expenditures have totalled $19.9 million. At current rates of expenditure and projected caseload trends, the Budget Analyst estimates that a supplemental appropriation of between $6.1 million and $7.5 million will be required for the balance of this current 1991-92 Fiscal Year. Our projection is consistent with the five months of experience of GA expenditures used by the Controller's Office, which is estimating a supplemental appropriation in an amount ranging from $6 million to $8 million.

Workers Compensation

The Fiscal Year 1991-92 budget includes a total of approximately $20,691,000 for workers compensation expenses. Of this amount, approximately $17,577,000 is for General Fund and General Fund supported departments (i.e., MUNI, Laguna Honda and General Hospital) and $3,114,000 is for Special Fund departments. Through the first six months of this fiscal year, December 31, 1991, a total of approximately $12,193,000, or 69 percent of General Fund expenditures and $2,069,000 or 66 percent of Special Fund expenditures has been spent for workers compensation. As a result, a supplemental appropriation of additional workers compensation funds for both the General Fund and Special Funds will be required this fiscal year. The General Fund supplemental appropriation is projected to be approximately $9 million.

The Chief of Police reports that he intends to re-assign two Inspectors to investigate workers compensation abuses in the Police Department. In the last fiscal year (1990-91), the Police Department accounted for $600,000 of the total Citywide supplemental appropriation for workers compensation payments.

In response to legislation adopted by the Board of Supervisors in September, 1991, a workers compensation task force has been created to act in an advisory capacity to the Mayor and the Board of Supervisors regarding containment of workers compensation costs. This task force is currently reviewing studies and previous task force recommendations in order to provide recommendations to the Mayor and the Board which could be incorporated into the City's 1992-93 budget.

City Attorney Departmental Reimbursement

The Controller's Critical Financial Issues report for the period July 1, 1991 through November 30, 1991 identifies that the City Attorney's Office has expended $4.683 million of the total twelve-month budget of $9.696 million for various departments. This Controller's report concludes that, similar to the 1990-91 fiscal year, when supplemental appropriations from various departments were required for City Attorney services, the City Attorney will again require a supplemental appropriation for fiscal year 1991-92. The Controller reports that new personnel requisitions for the City Attorney's Office are being monitored closely and that some surplus transfer of funds may be available to offset some of these additional City Attorney expenditures.

1991-92 Budget Analyst Recommendations Not Previously Adopted

In response to the request of the Finance Committee on January 16, 1992, the Budget Analyst compiled the line item recommendations and policy options that were submitted to the Finance Committee, but which were not adopted, during the 1991-92 budget hearings.

In terms of the General Fund, during the fiscal year 1991-92 budget review, the Budget Analyst made specific recommendations for reductions of appropriations of approximately $1.2 million for 17 departments which were not accepted by the Finance Committee. These recommendations included several positions in the Department of City Planning, Public Health Department, Department of Parking and Traffic, Recreation and Park Department and the Superior Court which we recommended for deletion. Other recommendations concerning travel, overtime, holiday pay and salary savings were included. In addition, we originally made recommendations concerning the deletion of 53 Chief's Aides in the Fire Department for an additional annual savings of approximately $4.5 million in salaries and fringe benefits. All of the Budget Analyst's recommendations, not previously taken, which we previously transmitted to the Finance Committee on February 4, 1992 for its meeting of February 5, 1992, are contained in the Board's File (100-91-9). The Budget Analyst notes that these recommendations have not been updated to reflect changes that have occurred during the past seven months of the fiscal year. Such changes can result in greater or lesser reductions than previously recommended. Therefore, the Budget Analyst recommends that any such recommendations, not previously taken, where applicable, should be taken in coordination with the recommendations submitted by the individual departments.

Attachment 1 reflects the policy options presented to the Finance Committee during the fiscal year 1991-92 budget hearings. In addition, according to the Controller's current reports, there is a total of approximately $2.0 million of appropriated General Funds that have been placed on reserve by the Finance Committee. The Finance Committee has the discretion to approve or deny the release of these reserves for the remainder of the fiscal year. These reserves should be considered as part of the overall expenditure reduction plan to be developed by City departments.

Joint Report of the Controller, the Mayor's Budget Director and the Budget Analyst

On February 5, 1992, the Controller submitted their six month status report, which projected a $54.055 million deficit for the fiscal year 1991-92 budget. The Controller, the Mayor's Budget Director and the Budget Analyst also submitted a separate joint report on February 5, 1992 which identified an additional $7.0 million obligation for fiscal year 1991-92, resulting in a total $61.055 million deficit for the current 1991-92 fiscal year. Based on recommended actions to transfer $39.0 million of surplus funds from reserves and other accounts, such actions would result in a 1991-92 net estimated deficit of $22.055 million. Subsequently, an error in the Employees Retirement Systems' (ERS) setting of the Police and Fire

Departments' retirement contribution rates detected in ERS' actuarial analyses has resulted in a preliminary overbudgeting of an additional $15.9 million in Retirement Contributions, which could reduce the City's projected General Fund deficit to $6.155 million for fiscal year 1991-92. However, this $6.155 million estimated deficit assumes that the City will receive all of the net estimated $25 million in SB 855 monies and that the entire amount of such monies are applied toward the City's projected 1991-92 deficit.

On November 27, 1991, the Mayor's Office, the Controller and the Budget Analyst issued a joint report projecting a $91.7 million shortfall for Fiscal Year 1992-93. This latter report has not, as yet, been updated.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 93 - Convention Facilities Management

BUDGET POLICY OPTIONS:

Note: **The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.**

Convention Facilities Management and the Convention and Visitors Bureau are funded through specific allocations in the Hotel Tax Rate. As noted in the Budget Analyst's Report on the CAO's Budget, the present tax rate of 11 percent charged for hotel room occupancy is divided into two portions, an 8 percent tax rate portion, and a 3 percent tax rate portion. The 8 percent tax rate portion is deposited in the Hotel Tax Fund. Of the total amount deposited in the Hotel Tax Fund, the following allocations have been established:

• Convention Facilities Management	(42%)
• Convention and Visitor's Bureau	(10%)
• War Memorial	(10%)
• Low income housing development (6.23% less $60,000)	
• Candlestick Park Fund	(6.23%)
• Publicity and Advertising Fund	
Recurring events	(16.5%)
Non-recurring events	(0.5%)
• Low income housing	($100,000)

The remaining amount is allocated to administration and the General Fund. The 8 percent portion of the Hotel Tax Fund will generate an estimated $54.4 million in 1991-92. The 42 percent of the 8 percent portion allocated to Convention Facilities Management is required to pay for the debt service and maintenance on the Moscone Convention Center; and the 6.23 percent of the 8 percent portion allocated to the Candlestick Park Fund is required to pay for the debt service on Candlestick Park.

As a policy option, the Board of Supervisors could choose to reduce the amounts allocated (1) to the Convention and Visitor's Bureau which is 10 percent of the 8 percent portion or $5.4 million and (2) to the Publicity and Advertising Fund which is 17 percent of the 8 percent portion or $9.3 million. Such reductions could be used to increase the contributions to the General Fund.

epartment/Division **01 - Board of Supervisors**

udget Policy Options:

ote: The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.

1. The proposed budget includes funding in the amount of $105,000 for the Telecommunications Policy Committee. The Board could consider deleting this function from the budget of the Board of Supervisors and request that the Chief Administrative Officer assume the responsibility for this function.

2. The proposed budget includes funding in the amount of $111,968 for the Delinquency Prevention Commission. The Board could consider deleting this function from the budget of the Board of Supervisors and request that the Superior Court combine this function with the Juvenile Justice Commission.

Department/Division 91 - Purchasing Department

BUDGET POLICY OPTIONS:

Note: The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.

Budget Policy Options

The Budget Analyst issued a management audit of the Purchasing and Storekeeping Functions Department. A recommendation made during that audit by the Budget Anlalyst is as follows:

> If all department storeroom staff were managed by each respective operating department, instead of on a centralized basis by the Purchasing Department, the administrative requirements of the Director of Purchasing and Services' Stores and Equipment Division would decrease, since management and supervisory workloads would be reduced as they are distributed to the user departments. Reductions in the Purchasing Department's Stores and Equipment Administration could include elimination of the following positions:

No. of Positions	Position	Amount
1	Assistant Director of Purchasing	$78,600
1	Inventory Clerk	34,000
1	Senior Materials Analyst	38,950
2	Assistant Stores and Equipment Supervisors	72,700
5	Subtotal	$224,250
	Fringes	55,210
Finance Recommendation Total		$279,460

> The Assistant Director of Purchasing listed above, who is responsible for Stores and Equipment Bureau, could remain with the existing staff to oversee the development of the City-wide guidelines and procedures. Once the guidelines and procedures are developed, the Assistant Director position could be eliminated. The other four positions could be eliminated as soon as the storekeeping functions are turned over to the departments. The remaining staff would be responsible for continued supervision of those storerooms directly under the Director of Purchasing and Services' authority, as well as other non-stores responsibilities.
>
> However, some of the accrued savings from these reductions would be needed to offset increased costs of the Controller's Internal Audits Division for implementation of an audit plan for the departmental storerooms and for ongoing audits of the storerooms. The Director of Internal Audits estimates the Division would require three additional Financial Auditors at a cost of $54,800 each, or a total of $164,400 plus fringes of $40,475. Therefore, we estimate net annual savings of $74,585 by the elimination of the above 5 listed positions.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 86 San Francisco General Hospital

BUDGET POLICY OPTIONS:

Note: **The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.**

As discussed in point 3 in our comment section, an A942 Senior Associate Administrator position has been sustituted in the Department's work order budget for a Staff Assistant IX position at a salary of $104,557, representing $28,158 salary upgrade. This upgrade will require increased payments to the Mental Health Bond fund. The Department adds that a vacant $71,000 administrative position has been eliminated from the Acute Services Division budget in order to further achieve savings to offset the cost of this upgrade.

According to the Department, the position will continue to be responsible for duties related to the new Mental Health facility on the campus and assume additional duties related to SFGH operations. The Department has not provided further explanation of the improvements to Hospital administration that will result from the salary upgrade and division of responsibility between the Mental Health Bond Fund and the Hospital Operations fund.

A policy option for the consideration of the Finance Committee would be to disallow the proposed upgrade and instruct the Hospital to absorb the reduced Assistant Hospital Administrator position. This action would achieve additional savings in the amount of $42,692.

Should the Finance Committee elect to adopt this policy option, the following recommendations would be in order.

Page No.	Object	Account Title	Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
SFGH Work Order Exp. (460139)								
1301	001	Permanent Salaries - Misc. • The recommended reduction in Permanent Salaries - Misc. is the total of the specific individual position recommendations.				$416,487	$396,502	•
1315		Senior Assoc. Admin.	A942 I	0	0	(8,173)	0	•
1315		Senior Assoc. Admin.	A942 W	1	0	104,557	0	•
1315		Staff Asst. IX Deny upgrade of position and splitting of time with Mental Health Bond Fund.	9750R	0	1	0	76,399	•

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 29 City Planning

BUDGET POLICY OPTIONS:

Note: **The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.**

In 1988 and 1989, the Budget Analyst issued two management audit reports on the Department of City Planning and the City's Permit Processing System. Based on documentation provided to the Budget Analyst, a number of the recommendations made in these audit reports have been implemented or are in the process of being implemented. The Budget Analyst however notes that one recommendation, to strengthen the management in the Implementation Division, which is the Division that processes the permits, has not been fully implemented, and has resulted in a less efficient and effective operation. A separation of the management responsibilities of this Division from the Zoning Administrator's other responsibilites could streamline this process.

The Budget Analyst also found in the audit in 1989 that there are potentially significant benefits to be gained by consolidating the Department of City Planning's and the Bureau of Building Inspection's Violation Abatement and Code Enforcement responsibilities. Areas of potential benefit include improved permit processing, improved conformance of contruction to plans, improved code enforcement, improved funding for required resources, support personnel spread over a larger base and the ability to combine talent within both organizations. Necessary actions to consolidate the Code Enforcement activities of the Department of City Planning and the Bureau of Building Inspection to develop an organization capable of providing significantly improved services to the City could be considered.

Policy issues that were raised by the Residential Builders Association (RBA) and discussed by the Finance Commitee in May, 1991 concern designating the review of permit applications for wood frame housing as a top priority of the City Planning Department, instituting a fee of $250 for requests for review of projects by the Landmarks Preservation Board and reimbursing permit applicants for delays in processing permits beyond the time constraints imposed by State law (AB884). AB884 requires the City Planning Department to process permits for building projects within specified time constraints, and if such time constraints are not met (6-12 months), then the project must be approved by the Planning Department. The City Attorney's Office has been requested by the Board of Supervisors to prepare legislation addressing these and other related issues regarding the Department of City Planning.

Department/Division 65 - Rent Arbitration Board

BUDGET POLICY OPTIONS:

Note: The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.

The Rent Board, which is fully supported by fees paid by property owners of units that are subject to the jurisdiction of the Rent Board, does not currently reimburse the City for indirect costs. The annual costs for indirect services (i.e., Civil Service, Purchaser, Controller, etc.) provided by the City are estimated to be approximately $43,000 based on the Department's current proposed expenditures. When the Rent Board submits a supplemental appropriation request for vacancy control and the corresponding annual per unit fee increase, the Board of Supervisors could request that the Rent Board include indirect costs to be reimbursed to the City. Such reimbursements would be a direct offset to the City's General Fund expenditures.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

1991-92

Department/Division 62 - Asian Art Museum

BUDGET POLICY OPTIONS:

Note: **The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.**

The Asian Art Museum is proposing to use the Main Library for its new site, after the building is vacated by the Library. The Asian Art Commission has stated its commitment to raise private funds to pay for the necessary conversion of the building to meet its purposes. The cost of the conversion is estimated to be between $35 to $75 million. The Chief Administrative Officer (CAO) has raised several concerns regarding the conversion of the Main Library to a a new site for the Asian Art Museum, including whether the Museum can raise sufficient funds to pay for the conversion.

The CAO reports that the Main Library building will be vacated by the end of 1995, at which time it would be necessary to begin immediate conversion of the building so that it would not remain vacant for any appreciable length of time. The CAO advises that the City has approved bond funds sufficient for the seismic retrofit of the building and that the seismic work must be undertaken concurrently with the conversion work. As such, the Asian Arts Commission would need to have sufficient funds available, certifiable by the Controller, at the end of 1995, to allow contracts for both the conversion and seismic work to be bid at the same time.

The CAO reports that in the event it becomes clear that the Museum will be unable to raise the necessary private funds for conversion of the building, the City would then face the prospect of another bond issue for some other use, as yet undetermined, of the building. Such a bond issue would need to be on the 1994 ballot in order to permit the building conversion to take place soon after the building is vacated. The CAO advises that given the time required to prepare bond reports and to meet time-lines specified in the Charter, the City's policy makers would have to decide early in 1994 whether and for what purpose they would wish to put a building conversion bond issue on the ballot.

Given the concerns expressed by the CAO, the Budget Analyst believes that the Board of Supervisors should inquire as to the status of the Asian Art Museum's efforts to raise the necessary private funds for the conversion of the Main Library building.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 41 - Public Library

BUDGET POLICY OPTIONS:

Note: The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.

The Public Library operates the Main Library and 26 Branch Libraries throughout the City with a total proposed budget of approximately $20 million. Due to budget reductions in prior years and as proposed in 1991-92, the Public Library has significantly reduced staffing, hours of operation and converted seven Branch Libraries to lower level Reading Centers. Rather than continuing to provide a lower level of Library services at 27 locations, a policy option could be to consolidate Branch Libraries, in order to provide longer hours of operation and full services at a fewer number of locations (e.g. 15 locations), while obtaining considerable savings in overhead costs. Current annual operating costs are approximately $110,000 for a Public Library Reading Center and approximately $185,000 for a Small Branch Library.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 35 - Municipal Railway

BUDGET POLICY OPTIONS:

Note: The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.

1) As a policy option, in lieu of fare increases, the Board of Supervisors could request reductions in services on those bus lines where ridership is low.

2) In 1991-92, MUNI proposes an expenditure of $1,200,000 to fund San Francisco Police Department officer overtime to provide security on MUNI buses and trolleys. MUNI estimates that the cost of providing private security services is roughly half of the cost of using police officers. MUNI states that police officers, who can carry weapons, are preferred to private security guards because police officers are authorized to make arrests and can be more effective in preventing incidents from occurring. However, private security guards would at least provide a "uniformed" presence on the buses and trolleys. The Board of Supervisors could decide to provide a lower level of security on MUNI transit buses and trolleys by using private contracted security guards at a savings of approximately $600,000 per year.

3) As a policy option, the Board of Supervisors could suggest the use of higher fares during rush hour to account for the extra costs imposed on the transit system to accommodate commuters.

4) The Board of Supervisors could suggest an increase in MUNI bus fares across-the-board, rather than just approving the increase in fares for the fast passes.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
1991-92

Department/Division 26 - Commission on Aging

BUDGET POLICY OPTIONS:

Note: **The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.**

Currently, the Senior Information and Referral Services are provided by the DPH at a total cost of $385,626. The Commission on Aging pays $195,955 (approximately 51 percent) of the total program cost and DPH pays the $189,671 balance. For 1991-92, DPH is deleting the Senior Information and Referral program and the staff positions associated with it from their budget and will not provide a share of the funding for the program in 1991-92. As a result, the Commission on Aging voted at its May, 1991 meeting to explore contracting out the service at a lower level of funding which would result in a decrease in the level of service. The Controller has determined that contracting for Senior Information and Referral Services in fiscal year 1991-92 would result in substantial savings. On June 12, 1991, the Finance Committee continued a proposed resolution concurring with the Controller's certification that these services can be performed for a lower cost than similar work by City employees (File 25-91-23). Should the Board of Supervisors wish to continue this program in 1991-92, new funding would have to be found, possibly from savings from other budget reductions in the DPH or other departments. Should the Board choose to continue to fund the Senior Information and Referral Service program at its current funding level, the Board of Supervisors might consider urging that the service be contracted out since the Controller has certified that the service can be performed at a lower cost through an outside contract with a community-based organization.

Department/Division 97 - General City Responsibilities

BUDGET POLICY OPTIONS:

Note: The following policy options are not recommendations of the Budget Analyst. The Finance Committee should consult with the Department prior to acting on any of these Policy Options.

Controller data processing charges totalling $4,611,384 out of $22,902,303 are budgeted as General City Responsibility for 1991-92, which is funded entirely by the General Fund. The remaining $18,290,919 of the Controller's data processing costs are charged by work order to the other City departments that receive the benefits of the data processing services. The $4,611,384 subsidy has not been charged to the various departments in order to keep the charges to those departments competitive with what outside data processing service firms would charge the departments for equivalent services by contractual arrangement. If all of the Controller's data processing costs were charged to the various City departments, then the total cost for each department would be fully disclosed.

Item 3 - File 97-91-43

Note: This item was continued at the Finance Committee Meeting of January 29, 1992.

Item: The proposed ordinance would amend Chapter 6 of the San Francisco Administrative Code by adding Section 6.36-A, "Prevailing Wages for Construction Work on Leased Property," extending prevailing wage requirements to certain construction projects on privately owned property leased by the City and County, as tenant.

Construction projects would be defined by Section 7.204 of the San Francisco Charter as any "public work or improvement" and also include any construction work done under private contract when all of the following conditions exist:

(A) The construction contract is between private persons.

(B) The property subject to the construction contract is privately owned, but upon completion of the construction work, more than five thousand (5,000) square feet and more than fifty percent of the assignable square feet of the property is leased to the City and County for its use.

(C) Either of the following conditions exist:

(1) The lease agreement between the lessor and the City and County of San Francisco, as lessee, is entered into prior to the construction contract.

(2) The construction work is performed according to the plans, specification, or criteria furnished by the City and County of San Francisco, and the lease agreement between the lessor and the City and County of San Francisco as lessee, is entered into during, or upon completion, of the construction work.

(D) The work to be performed under the private contract at prevailing wages adjusted for inflation is more than an "incidental amount of construction work." The amount which would be considered an "incidental amount of construction work" would be decided upon by the Board of Supervisors. The City Attorney's Office reports that the intent is to apply the proposed ordinance to larger scale construction projects, and not require that prevailing wages be paid on small scale build-outs and routine repairs which may arise throughout the term of the lease. Mr. Harry Quinn of the Real Estate Department recommends that construction projects that are in excess of between $100,000 and $150,000 should be considered greater than an "incidental amount of construction."

San Francisco Charter Section 7.204 provides that every "Contract for [a] public work or improvement...to be done directly under the contract awarded, or indirectly by or under subcontract...or any other arrangement whatsoever must provide that any person performing labor shall be paid not less than the highest general prevailing rate of wages." The proposed ordinance is intended to clarify the circumstances regarding whether construction projects on property leased by the City and County would qualify as a "public work or improvement" as defined by San Francisco Charter Section 7.204.

The proposed ordinance would only be applicable to leases executed and approved after July 1, 1991.

Comments:

1. Based upon the results of the 1990-91 Bay Area Salary Survey Committee's report to the Civil Service Commission, prevailing wages for construction trades such as operating engineers, carpenters, electricians, painters, plumbers, truck drivers and general laborers range from 50 percent higher than non-prevailing wages for plumbers to four percent higher for truck drivers. For all of these above listed construction positions, prevailing wages are on average approximately 28 percent higher than non-prevailing wages.

2. Mr. Quinn reports that landlords would generally pass on the actual cost of renovation work to the City. Mr. Quinn indicates that the amount of square feet which the City leases, and construction costs would also affect the rental rate charged to the City. For example, Mr. Quinn reports that tenant improvements for the Superior Court lease at 525 Polk Street cost the City $900,000 or an additional $102 per square foot for 8,800 square feet. Mr. Quinn also reports that tenant improvements for the Human Rights Commission lease at 1170 Market Street cost the City $120,000 or an additional $18 per square foot for 6,500 square feet. If these tenant improvement costs increase by 28 percent on average if prevailing wages were charged, the Superior Court lease would cost the City an additional $252,000 or an additional $29 per square foot and the Human Rights Commission lease would cost the City an additional $33,600 or an additional $5 per square foot.

3. Ms. Lisa Maglio of the City Attorney's Office reports that litigation has been filed against the City by the San Francisco Building and Construction Trades Council which, if successful, would require the City to include prevailing wage

language into certain leases in which the City is a tenant. Ms. Maglio indicates that if the proposed ordinance is approved by the Board of Supervisors, it would serve incidentally as a settlement to the pending litigation. A U.S. District Court judge has issued an order which bars Contra Costa County, San Bruno and South San Francisco from enforcing laws which require wage controls on private construction projects. Ms. Maglio reports that the proposed legislation is distinguishable from the legislation struck down in the Court's opinion in the Contra Costa County case because the proposed ordinance would apply only to certain construction projects on certain public leases, unlike the laws in Contra Costa County, San Bruno and South San Francisco which applied to both public and private construction projects. Ms. Maglio indicates that this case has since been continued.

4. The proposed ordinance does not require that the City continue to lease the property for a specified period of time after the construction project is completed. Mr. Quinn reports that in order for the landlord to be reimbursed for the cost of construction, the City usually enters into a long term five-year lease, with the cost of construction amortized over the term of the lease. However, Mr. Quinn indicates that long term leases are subject to annual appropriation decisions by the Board of Supervisors, and therefore the City could terminate its lease before the landlord is reimbursed for the entire cost of the construction project.

5. As previously noted, the Real Estate Department recommends that the proposed ordinance should apply to construction projects which are in excess of between $100,000 and $150,000. However, the San Francisco Building and Construction Trades Council recommends that the proposed ordinance apply to even nominal construction projects which are less than $100,000. As previously noted, the proposed ordinance would apply to City-leased property which is greater than five thousand (5,000) square feet and more than fifty percent of the assignable square feet of the property is leased to the City and County, upon completion of the construction project. However, the San Francisco Building and Construction Trades Council recommends that the proposed ordinance apply also to those City leases which are in excess of some nominal amount of square feet which is less than 5,000 square feet.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board approves the proposed ordinance, the Board of Supervisors should amend the legislation to include the amount considered to be an "incidental amount of construction work."

Item 4 - File 53-92-1

Department: Department of Public Works (DPW)
Clean Water Program (CWP)

Item: Resolution finding and determining that the Mariposa combined sewer overflow control facilities will protect and preserve the environment and that the use of loan funds is the most cost-effective method of financing the project; authorizing the Director of Public Works to apply for and enter into loan agreements not to exceed approximately $10 million.

Description: The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-89-148) which appropriated funds for the construction of the Mariposa Facilities. That supplemental appropriation ordinance (File 53-92-1) appropriated the following revenues:

1970 Water Pollution Control Bonds	$ 772,000
1976 Sewer Revenue Bonds	3,456,568
1988 Sewer Revenue Bonds	633,002
State Revolving Loan Fund (State Water Resources Control Board)	7,236,358
Total	$12,097,928

The Mariposa Facilities project includes the connection of storm water drains into the combined sewer facilities for treatment and disposal, which will ensure that pollutants carried by the storm water will not spill into the San Francisco Bay. These facilities will primarily be located underground Mariposa Street.

On December 21, 1989, the Board of Supervisors approved the use of State loan funds to finance the construction of the Mariposa facilities. As noted above, the previously approved supplemental appropriation ordinance (File 101-89-148) included $7,236,358 in State Water Resources Control Board (SWRCB) Revolving Loan funds. The State is now willing to loan the City an additional amount of approximately $2,323,267 for the construction of the storm water control portion of the Mariposa Facilities project, which would bring the total loan for the Mariposa Facilities project to approximately $9,559,625.

City Charter Section 7.300(6) specifies that the City may accept loans directly from the State of California for projects that are intended to protect or preserve the environment, where the acceptance of the loan would be the most cost-effective method of financing such projects. The Charter further specifies that the determination of what constitutes the most cost-effective method of financing shall be made by resolution to the Board of Supervisors, based on a recommendation by the Chief Administrative Officer.

The proposed resolution would provide that the Chief Administrative Officer has advised the Board of Supervisors that use of State Revolving Loan Funds for construction of the Mariposa facilities is the most cost-effective method of financing the project, and would authorize the Director of Public Works to apply for and enter into loan agreements not to exceed approximately $10 million, which is approximately $2.8 million more than the approximate $7.2 million in State Revolving Loan Funds which the Board of Supervisors previously approved (File 101-89-148).

Comments:

1. In accordance with the Charter Section 7.300(6), the CAO has determined that the City's acceptance of a State loan for up to approximately $10 million is the most cost-effective method of securing financing for the construction of the Mariposa facilities (see Appendix A for the results of the analysis and see Appendix B for the methodology).

2. The estimated total construction costs for the proposed Mariposa facilities are $12,097,928, including the $7,623,758 in State Revolving Loan Funds. Mr. Manfred Wong of the DPW's Clean Water Program reports that the amount of the State Revolving Loan Fund monies would increase to $9,559,625, which would free up $2,323,267 in bond funds which were originally appropriated for the project (File 101-89-148). Mr. Wong also reports that these $2,323,267 in bond funds would be used for other ongoing Clean Water capital improvement projects. However, these bond funds would be subject to future appropriation decisions by the Board of Supervisors.

3. The analysis included in Appendix A and Appendix B compares the cost of borrowing from the State Revolving Loan Fund versus issuing revenues bonds. This analysis shows that it is more cost-effective for the City to borrow from the State Revolving Loan Fund at a 3.10 percent interest rate, than to borrow at the current estimated 6.62 interest rate for Sewer Revenue Bonds. Mr. Bob Hesse of the DPW's Clean Water Program reports that the analysis assumes that the $2,323,267 in bond funds freed up from increasing the State Revolving Loan Fund amount would be put towards other capital improvement projects, and therefore would offset future issuance and interest costs by reducing the future bond requirements. Therefore, even though the City has already incurred the issuance costs, and a portion of the

principal on the bond funds have already been paid for the previously appropriated Mariposa project bond funds (File 101-89-148), because future bond requirements would be reduced, it is more cost-effective to borrow through the State Revolving Loan Fund. The Budget Analyst concurs with this analysis.

4. Mr. Wong reports that construction of the Mariposa facilities is anticipated to be completed by May, 1992.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

APPENDIX A

FILE: STLONMAR　　CLEAN WATER PROGRAM　　06-Jan-92

ANALYSIS: STATE LOAN AND REVENUE BOND

FOR MARIPOSA LOAN AUTHORIZATION:　10,000,000

	STATE LOAN @ 3.10%	REVENUE BOND @ 6.62%
INTEREST RATE	3.10%	6.62%
TERM:	20	20
CONSTRUCTION FUND	10,000,000.00	10,000,000.00
ISSUE COST: 2.5005%	0.00	261,793.10
TOTAL LOAN/BOND AMOUNT	10,000,000.00	10,261,793.10
REPAYMENT:		
YEAR 1	(678,386.84)	(940,219.72)
2	(678,386.84)	(940,219.72)
3	(678,386.84)	(940,219.72)
4	(678,386.84)	(940,219.72)
5	(678,386.84)	(940,219.72)
6	(678,386.84)	(940,219.72)
7	(678,386.84)	(940,219.72)
8	(678,386.84)	(940,219.72)
9	(678,386.84)	(940,219.72)
10	(678,386.84)	(940,219.72)
11	(678,386.84)	(940,219.72)
12	(678,386.84)	(940,219.72)
13	(678,386.84)	(940,219.72)
14	(678,386.84)	(940,219.72)
15	(678,386.84)	(940,219.72)
16	(678,386.84)	(940,219.72)
17	(678,386.84)	(940,219.72)
18	(678,386.84)	(940,219.72)
19	(678,386.84)	(940,219.72)
20	(678,386.84)	(940,219.72)
TOTAL	(13,567,736.85)	(18,804,394.33)
PRINCIPAL PAID	10,000,000.00	10,261,793.10
INTEREST PAID	3,567,736.85	8,542,601.23

principal on the bond funds have already been paid for the previously appropriated Mariposa project bond funds (File 101-89-148), because future bond requirements would be reduced, it is more cost-effective to borrow through the State Revolving Loan Fund. The Budget Analyst concurs with this analysis.

4. Mr. Wong reports that construction of the Mariposa facilities is anticipated to be completed by May, 1992.

Recommendation: Approve the proposed resolution.

APPENDIX A

FILE: STLONMAR CLEAN WATER PROGRAM 06-Jan-92

ANALYSIS: STATE LOAN AND REVENUE BOND

FOR MARIPOSA LOAN AUTHORIZATION: 10,000,000

	STATE LOAN @ 3.10%	REVENUE BOND @ 6.62%
INTEREST RATE	3.10%	6.62%
TERM:	20	20
CONSTRUCTION FUND	10,000,000.00	10,000,000.00
ISSUE COST: 2.5005%	0.00	261,793.10
TOTAL LOAN/BOND AMOUNT	10,000,000.00	10,261,793.10
REPAYMENT:		
YEAR 1	(678,386.84)	(940,219.72)
2	(678,386.84)	(940,219.72)
3	(678,386.84)	(940,219.72)
4	(678,386.84)	(940,219.72)
5	(678,386.84)	(940,219.72)
6	(678,386.84)	(940,219.72)
7	(678,386.84)	(940,219.72)
8	(678,386.84)	(940,219.72)
9	(678,386.84)	(940,219.72)
10	(678,386.84)	(940,219.72)
11	(678,386.84)	(940,219.72)
12	(678,386.84)	(940,219.72)
13	(678,386.84)	(940,219.72)
14	(678,386.84)	(940,219.72)
15	(678,386.84)	(940,219.72)
16	(678,386.84)	(940,219.72)
17	(678,386.84)	(940,219.72)
18	(678,386.84)	(940,219.72)
19	(678,386.84)	(940,219.72)
20	(678,386.84)	(940,219.72)
TOTAL	(13,567,736.85)	(18,804,394.33)
PRINCIPAL PAID	10,000,000.00	10,261,793.10
INTEREST PAID	3,567,736.85	8,542,601.23

APPENDIX B

The attached analysis compares the cost of borrowing from the California State Revolving Fund (SRF) loan program versus issuing revenue bonds.

For purposes of this analysis, we have assumed a 20 year term for both options. The amount generated for the construction fund is $10 million in both cases, but the actual amount borrowed would have to be different in each case to account for issuance costs incurred in selling bonds. In the case of the SRF loan, there are not any issuance costs. In the case of revenue bonds, we estimate issuance costs of $261,793 for professional services, underwriter discount, reserve fund insurance and bond insurance. These issuance costs are based on the 1991 sewer revenue bonds. The State currently expects to lend SRF funds at one half the interest rate of the most recent general obligation bond. We have estimated the loan interest rate to be 3.10%. In contrast, the interest rate for the sewer revenue bonds is 6.62% based on the 1991 revenue bond sale.

This analysis shows that the SRF loan at 3.10% interest is significantly more cost-effective than borrowing via the sewer revenue bonds. Specifically, with the SRF loan, the total debt service payment would amount to $3.57 million over the 20 year term of the loan, while the revenue bonds debt service would require $8.54 million. The total interest cost on the SRF loan would amount to $3.57 million compared to $8.54 million for the revenue bonds.

Item 5 - File 123-91-2.1

Note: This item was continued by the Finance Committee at its meeting of February 5, 1992.

Department: Department of Public Works (DPW)
Bureau of Engineering

Item: Hearing to consider status report outlining the security bond process by which the Department of Public Works may accept a security bond in lieu of a cash deposit as provided for in Article 15, Section 724.3 of the Public Works Code.

Description: The Board of Supervisors previously approved a resolution (File 123-91-2) which urged the Mayor to urge the Chief Administrative Officer to direct the Department of Public Works to establish a process by which the Department may accept a security bond in lieu of a cash deposit as provided for in Article 15, Section 724.3 of the Public Works Code, and urging the Director of Public Works to submit a report to the Board of Supervisors outlining the security bond process within sixty days. The proposed hearing would provide the Board of Supervisors with a status report outlining the security bond process. The DPW is currently establishing the process by which the Department may accept a security bond in lieu of a cash payment, but the details have not been completed.

The Department of Public Works (DPW) currently requires that permits be acquired for the temporary occupancy of any street or sidewalk in San Francisco. The DPW collects a permit fee and a refundable cash deposit for each permit issued. Each refundable cash deposit is held until the project is complete and if no damage is done to the street or sidewalks where the temporary occupancy occurred, the cash deposit is returned to the permittee.

Permittees which are in the business of performing continuous building operations which require frequent temporary occupancies, such as but not limited to roofing, painting, and window washing, have expressed concerns about the amount of cash on deposit to secure the numerous permits that a permittee might have active at any given time.

Comments: 1. According to Ms. Denise Brady of the DPW, the current cost for temporary occupancy permits is .1 percent of the total cost of the work performed. For example, a $1 million construction job would require a permit fee which costs $1,000. The minimum permit fee is $30. Ms. Brady also reports that the cost of deposits are on average approximately

$10 per linear foot of property which fronts a public right-of-way such as a street or sidewalk. Ms. Brady indicates that, in addition to the permit fee, the average minimum deposit is $250. Ms. Brady explains that after the job is completed, the DPW provides a final inspection of the street or sidewalks temporarily occupied, and the permittees get their deposit back if no damage is found.

2. Ms. Brady states that the current deposit requirement can be costly and presents hardship to those businesses such as roofers, painters or window washers which continually occupy public streets or sidewalks since some of these businesses must have large sums of money constantly tied up for temporary occupancy deposits.

3. Ms. Brady explains that given the cost of deposits, many of these businesses never file for temporary occupancy permits. Ms. Brady indicates that the current fine for not having a temporary occupancy permit is $1,000 a day. Ms. Brady explains that it is likely that more of these businesses would file permits, if businesses are given the opportunity to provide the DPW with a security bond instead of a cash deposit. Therefore, the DPW would have to process more permits and provide more street and sidewalk inspections. Ms. Brady also reports that some or all of these additional costs may be offset by the additional revenues generated from permit fees since more businesses are likely to file permits.

4. Ms. Brady reports that the City's costs associated with establishing a security bond process would include setting up a filing system for permittees, either manually or with computers providing verification for active bonds. As noted, assuming there would be more permits filed, an increased number of sidewalk inspections would have to be performed. Ms. Brady reports that it cannot be determined whether this increased level of service could be performed with existing staff. Ms. Brady estimates that at most, an additional .50 FTE 6230 Street Inspector and an additional .50 FTE 5364 Permit Processor would be required. Ms. Brady indicates that the annual cost of a .50 FTE Street Inspector, including fringe benefits and overhead would be approximately $40,000, and the .50 FTE 5364 Permit Processor would also cost approximately $40,000 annually, for a total of $80,000 annually.

5. As previously noted, according to Ms. Brady, at most an additional .50 FTE 6230 Street Inspector, and a .50 FTE 5364 Permit Processor would be required. Therefore, the DPW may have to request a supplemental appropriation in order to provide these additional services. However, Ms. Brady

indicates that given that more permits would likely be filed, the increased permitting fees received would offset some or all of these costs. However, Ms. Brady is unable, at this time, to estimate the increased revenues which may result from additional permit fees. Ms. Brady also indicates that these increased revenues may not be able to be acquired unless additional funds are appropriated for these staff positions.

6. In response to a previous resolution approved by the Board of Supervisors (File 123-91-2), Ms. Brady reports that the Department anticipates that the security bond process would begin on March 1, 1992. Ms. Brady also reports that the roofing business would be the most affected business. Ms. Brady notes that currently roofers write in to apply for roofing permits, and if these businesses want to provide a security bond in lieu of a cash deposit, these businesses would be designated as having a security bond on file, and therefore would be processed separately from the other files, since a deposit would not be required for each job. Ms. Brady also reports that the DPW is currently developing an information packet for businesses which outlines the security bond process. Ms. Brady indicates that the DPW currently provides businesses with handouts with guidelines for temporary street occupancies, and these information packets would be provided in addition to the handouts, and therefore minimal costs would be incurred. Ms. Brady reports that an existing 5364 Permit Processor would implement the proposed security bond system. As previously noted, additional staff may be required as the volume of permits and inspections increases.

Item 6 - File 187-92-1

Departments: Municipal Court
Superior Court

Item: Resolution to provide that the County elects to participate under the provisions of the State Trial Court Funding Program for the period of July 1, 1992 through June 30, 1993.

Description: The Trial Court Funding Program was established in September of 1988. The Trial Court Funding Act established provisions for county optional State subsidized Trial Court Funding as follows:

> The State will provide counties that elect to participate in the program (option counties) with a block grant for court operations of $233,709 annually for each judicial position (Judges, Commissioners and Referees) in the Superior, Municipal and Justice Court. A cost of living formula is provided for annual adjustments to the block grant.
>
> Additionally, the State will supplement the block grant by paying all but $9,500 of each Municipal Court and Superior Court Judge's annual salary.

Another key requirement of the Trial Court Program is that option counties must maintain the level of expenditure for court operations established in their first full fiscal year (1989-90) of participation in the Trial Court Funding Program, adjusted by a cost of living factor. If San Francisco should experience a reduction in revenue in future years and needed to reduce expenditures, this would mean that a greater proportionate share of any reductions in expenditures would have to be borne by City and County departments other than the Courts.

The deadline for San Francisco to elect to participate in the Trial Court Funding Program for fiscal year 1992-93 is March 1, 1992.

Comments: 1. San Francisco has previously elected to participate in the Trial Court Funding Programs for fiscal years 1988-89, 1989-90, 1990-91 and 1991-92. San Francisco has received the following amounts of Trial Court funding monies:

Year	Amount
1988-89	$7,244,400 *
1989-90	15,246,000
1990-91	16,200,000
1991-92	13,800,000
Total	$52,490,400

*Based on six months of funding from January 1, 1989 through June 30, 1989. Annualized amount is $14,488,800.

2. If San Francisco elects to participate in the Trial Court Funding Program for fiscal year 1992-93, Ms. Kate Harrison of the Superior Court estimates that the net impact of these fiscal provisions would be an allocation of approximately $19 million to $22 million. According to Ms. Harrison, the estimated allocation would be based upon (1) whether the State decides to fund 55 percent of the City's Trial Court costs of $37.9 million (City and County costs for Court operations minus costs for defense of indigents and the Grand Jury) as opposed to the current 50 percent level and (2) If the State continues to fund these costs at the current 50 percent level, whether an inflationary factor would be included in the 1992-93 funding amount or if funding would continue at the 1991-92 cost rate. Ms. Harrison reports that the Governor has already indicated that it is unlikely that the State will fund 55 percent of the City's Trial Court costs in 1992-93. It should be noted that the additional Trial Court Funds will not cover all City and County costs for Court operations, which are currently approximately $39,667,184 per year.

3. Participation in the Trial Court Funding Program will lower the City's 1992-93 Gann Appropriations Limit by approximately $19 million to $22 million. Estimates of the City and County's 1992-93 Gann Limit are not available at this time.

4. In prior fiscal years, the Board of Supervisors committed by resolution, that no less than one-third of the Trial Court Funding Program block grant would be accounted to the Municipal and Superior Courts. All Trial Court Funding block grant monies which are not directly allocated to the Courts are credited to the General Fund which finances Court operations.

5. As noted above, the Board of Supervisors has previously committed to the position that no less than one-third of the Trial Court Funding Program block grant would be allocated to the Municipal and Superior Courts, with the remaining two-thirds being credited to the General Fund. The revised net estimated City budget deficit for 1991-92 is $22.055 ($61.055 previously estimated less $39.0 million of identified surpluses.) Subsequently, a $15.9 million error of the Employees Retirement System regarding Police and Fire Department retirement contributions) was disclosed which could decrease the estimated deficit to $6.155 million. This assumes that the City will receive and apply all of the $25 million in SB 855 monies to the projected 1991-92 deficit. The latest joint report from the Controller, Mayor's Office and Budget Analyst has a projected revenue shortfall of $91.7 million for 1992-93. Given the substantial nature of the projected 1991-92 deficit and 1992-93 revenue shortfall, the Budget Analyst believes that the Board of Supervisors should consider reexamining the position that no less than one-third of the Trial Court Funding would be allocated to the Municipal and Superior Courts.

6. As of the writing of this report, Mr. Gordon Park-Li of the Municipal Court did not have a specific comment on the Budget Analyst's comment that the Board of Supervisors should consider reexamining the position that no less than one-third of the Trial Court Funding should be allocated to the Municipal and Superior Courts.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 7 - File 146-92-3

Note: This item was continued by the Finance Committee at its meeting of February 5, 1992.

Department: Department of Public Health, Community Public Health Services Division, Bureau of Family Health

Item: Resolution rescinding Resolution No. 453-91 and Resolution 917-91, and authorizing the Department of Public Health, Community Public Health Services, Family Health Bureau to accept and expend a grant from the California Department of Health Services, Office of Family Planning, in the amount of $1,206,415 for family planning services, providing for ratification of action previously taken, for a grant period of July 1, 1991 to June 30, 1994; waiving indirect costs, and granting the Director of Health authority to sign any subsequent amendments up to $1,500,000 during the contract period.

Grant Amount: $1,206,415

Grant Period: July 1, 1991 - June 30, 1994

Source of Funds: California Department of Health Services

Project: Family Planning Services

Description: The proposed continuation grant would be used to continue providing family planning, pregnancy testing, and infertility services to low-income residents of San Francisco. The proposed resolution would provide the necessary authorization for the Department of Public Health (DPH) to accept and expend proposed grant funds of $1,206,415 over a period of three years, from July 1, 1991 through June 30, 1994.

The Board of Supervisors has previously approved several resolutions concerning the proposed grant. DPH received authorization to apply for the grant, which was expected to be a one-year grant in the amount of $350,600, on February 5, 1991. On June 4, 1991, the Board of Supervisors authorized DPH to accept and expend the grant funds of $350,600, placing $67,000 on reserve (Resolution No. 453-91). On October 9, 1991, the Board of Supervisors authorized DPH to accept and expend an augmentation to this grant in the amount of $61,795 (Resolution No. 917-91).

The term and the amount of the proposed grant have been the subjects of continuing discussion between the Department of Public Health and the State Office of Family Planning. The

California Department of Health Services formally awarded the grant in the form of a three-year contract for the period July 1, 1991 to June 30, 1994, in the amount of $1,050,000, based on constant funding over three years in the amount of $350,000 per year.

The State Department of Health Services has now informed DPH that the grant amount over the three-year period is $1,206,415, rather than $1,050,000. The proposed resolution would rescind the two previous "accept and expend" resolutions in the amounts of $350,600 and $61,795, authorize DPH to accept and expend grant funds in the total amount of $1,206,415 over a three year period, and authorize the Director of Public Health to sign any subsequent amendments to the State contract to increase the level of grant funding up to $1,500,000, which is over 24 percent, or $293,585 more than the proposed grant funds.

Grant Budget:

Personnel	FTE	Annual Budget	3-Year Budget
2320 Clinic Nurse	1.80	$96,408	$289,224
2587 Health Worker III	2.29	73,439	220,317
2588 Health Worker IV	0.80	16,240	48,720
2328 Nurse Practitioner	0.55	29,609	88,827
1842 Management Assistant	0.20	7,644	22,932
Total		$223,340	$670,020
Fringe Benefits (27%)		60,301	180,903
Subtotals	5.64	283,641	850,923
Per Diem Nurses	1.00	26,359	79,077
Total Personnel	6.64	$310,000	$930,000*
Operating Expenses			154,820
Contractual Services			126,495
Travel			6,000
Administrative (indirect) costs			9,100
Total Estimated Expense			$1,226,415
Total Grant Budget			$1,206,415 *

* See Comment No. 2

Required Match: None

No. of Persons Served:

The Family Planning Services program of the Bureau of Family Health expects to provide services for 6,716 unduplicated clients who will make approximately 13,100 patient visits in calendar year 1992.

Indirect Costs: It is the policy of the California Department of Health Services not to pay indirect costs, but the agency will award approximately one percent of personnel costs (equaling $9,100) to defray administrative expenses.

Comments:

1. Mr. Stephen Purser of the Bureau of Family Health indicates that further amendments to the proposed grant are likely, to further augment the grant amount because the Governor has expressed an intention to increase State funding of family planning services in coming years. It is for this reason, according to Mr. Purser, that DPH seeks authorization from the Board of Supervisors for the Director of Public Health to sign subsequent amendments up to $1,500,000 during the grant period without subsequent approval of the Board of Supervisors. Mr. Purser reports that the $1,500,000 ceiling, which as previously noted, is over 24 percent more than the proposed grant amount, was recommended by Ms. Paula Jesson, Deputy City Attorney.

2. Mr. Purser indicates that the grant budget is based on estimated expenditures for the 1991-92 fiscal year, and does not include estimated increases in the cost of budget items, including salaries over the three year-term of the proposed revised grant amount. Mr. Purser reports that budget estimates for future fiscal years are difficult to determine precisely, and that expected increases in the amount of State funding during the grant term will probably suffice to pay additional expenses such as cost-of-living salary increases.

   The grant budget presented above reflects salary expenditures over three years of $930,000 based on the first year funding levels for salaries. The three year salary cost of $930,000 exceeds the personnel budget of $910,000 presented to the State, and therefore results in estimated total expenditures over three years which are $20,000 higher than the amount of the grant award. Mr. Purser explains that this discrepancy is also expected to be resolved through increases in the level of State funding after the first year. In the event that sufficient funds are not available, Mr. Purser notes that adjustments in staffing levels would be made, but Mr. Purser believes this scenario is unlikely in view of the expected increases in State funding in later years.

3. Operating expenses of $154,820 over the three-year grant period (an average of $51,607 per year) will consist of contraceptives and medications for clients receiving family planning services. Mr. Purser indicates that these expenses

will include payments for the Norplant skin patch, recently approved by the Food and Drug Administration (FDA), which is reported by Mr. Purser to be a highly convenient and very effective new contraceptive.

4. Contractual services are estimated at $126,495 over three years (an average of $42,165 per year). These funds will primarily pay for cytology and pharmacy services. Mr. Purser indicates that approximately $5,000 per year of these funds will be available to pay for consultants' services as necessary, including services such as outside medical consultations.

5. It is the policy of the California Department of Health Services not to include indirect costs in the grant award, and the title of the proposed resolution therefore reflects that indirect costs are waived. However, as previously noted, the State will award one percent of personnel costs to offset administrative expenses. Mr. Purser indicates that this payment for administrative expenses will be provided to the City in the same manner as payments for indirect costs. The body of the proposed resolution should be amended to reflect that indirect costs are waived, as stated in the title.

6. The proposed resolution is retroactive to July 1, 1991, and will rescind previous resolutions which authorized the acceptance and expenditure of grant funds for fiscal year 1991-92. Since acceptance and expenditure of grant funds in the amounts of $350,600 and $61,795 have been authorized by two previous resolutions of the Board of Supervisors, DPH has not experienced a lapse of funding under this grant program.

7. Mr. Purser indicates that these grant funds will not be restricted in the event that proposed federal regulations affecting abortion counseling are implemented. On the contrary, according to Mr. Purser, these funds could be augmented by State funds which would supplant any federal funding which carried such restrictions. Mr. Purser notes that State law requires family planning agencies to discuss all available options with their clients.

Recommendations: 1. Amend the body of the proposed resolution to waive indirect costs.

2. The Budget Analyst recommends disapproval of the provision of the proposed resolution which would authorize the Director of Public Health to sign subsequent amendments to this grant up to $1.5 million, or more than 24 percent of the proposed grant, without subsequent approval of the Board of

Supervisors. The Budget Analyst recommends approval of the other provisions of the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 8 - File 38-91-22

Note: This item was rereferred by the Board of Supervisors at its meeting of January 21, 1992 (See Comment #1).

Department:	San Francisco Public Library
Item:	Resolution authorizing acceptance of a gift from the Library Foundation of San Francisco for lease/purchase of a library automation system.
Amount:	$1,500,000

Description: The San Francisco Public Library wants to install a new electronic computer and telecommunications system card catalogue system prior to the opening of the new Main Library. The electronic computer system would also be installed at the 27 branch libraries. The proposed gift of $1.5 million would provide a portion of the costs associated with the proposed electronic computer system. The proposed electronic computer system would provide the public with on-line access to library materials and community information resources, and provide Public Library staff with a greater ability to manage the Library's collections and resources. Prior to installing the electronic computer system, the entire Public Library collection must be inventoried and catalogued. Therefore, the Public Library proposes to initially install the electronic computer system into the existing Main Library for inventory purposes, and then transfer and expand the electronic computer system to the new Main Library by FY 1996-97. Mr. Ed McBride of the San Francisco Public Library reports that upon installation of the proposed electronic computer system in the new Main Library, the proposed electronic computer system could accommodate up to 1,100 terminals, including 371 new terminals for public use at the New Main Library.

The total cost for the proposed computer system equipment and installation is estimated at $4,602,750 ($3,868,005 for equipment costs and $734,745 for installation costs), which would be amortized over a six-year period. In addition, total operating costs for six years for the proposed electronic computer system is approximately $2,689,612 (approximately $448,269 annually) for a total estimated cost of $7,292,362 for a six year period. After the proposed electronic computer system equipment is amortized over six years, annual operating costs subsequently would be approximately $448,269 annually. These annual operating costs would include telecommunications usage, data processing maintenance, materials and supplies.

Comments:

1. As noted above, the proposed item was rereferred by the Board of Supervisors at its meeting of January 21, 1992. It should be noted that all of the reflected costs reflected in the report have changed. The total cost for the proposed computer system equipment and installation was previously estimated at $3,888,686 and operating costs were estimated at $3,203,876, for a total of $7,092,562 over six years. As noted, the revised estimate is $7,292,362 over six years, is $199,800 more than the previous estimate. Mr. McBride indicates that these increased costs are attributable to including MBE, WBE subcontracting participation on the contract (See Comment #12). It should also be noted that under the revised estimate, $264,800 in additional funds would come from the General Fund, consisting of the $199,800 in increased contract costs and $65,000 which was originally anticipated to be available from the Fuhrman Fund for FY 1992-93 but is now no longer available from the Fuhrman Fund.

2. The proposed electronic computer system would be purchased and installed from Digital Equipment Corporation. Mr. McBride indicates that the Public Library, along with assistance from the Purchasing Department, the City Attorney's Office, and the Electronic Information Processing Steering Committee issued a Request For Information (RFI) for lease/purchase and installation of the proposed automation system. Mr. McBride reports that 20 firms nationally were issued the Request for Information (RFI), and given the scope of the project and the expertise which would be required. The Public Library included minimum specifications in the RFI issued. Mr. McBride states that Digital Equipment Corporation was the only firm to meet the requirement of the RFI. Mr. McBride also reports that a Request for Proposal (RFP) was later issued to Digital Equipment Corporation, who subsequently submitted a bid, and a lease agreement for a six-year period was later negotiated by the CAO's Office.

3. Mr. McBride indicates that under the proposed lease agreement with Digital Equipment Corporation, after six years when the City has provided the total equipment and installation costs of $4,602,750, Digital Equipment Corporation would sell the electronic computer system to the City for $1. Mr. McBride indicates that the City Attorney's Office is currently drafting the finalized lease agreement documents, and therefore the Public Library has not yet entered into the proposed lease agreement. However, Mr. McBride also indicates that the proposed lease agreement would be part of the City's on-going master contract with Digital Equipment Corporation. Mr. Fred Weiner of the

Chief Administrative Officer's (CAO's) Office reports that the master contract was set up through the Purchasing Department, and therefore the lease agreement, which is part of the master contract, would not be subject to future approval by the Board of Supervisors. Therefore, the Board of Supervisors would only have approval of the proposed resolution and annual appropriation decisions for the project as included in the Public Library's budget.

4. As noted above, the total equipment and installation costs for the proposed electronic computer system are estimated at $4,602,750 and operating costs are estimated at $2,689,612 (approximately $448,269 annually) for a total of $7,292,362 for the six-year period. The source of funds for the proposed $7,292,362 is anticipated to come from the following sources over a six year period:

	FY 1992-93	FY 1993-94	FY 1994-95	FY 1995-96	FY 1996-97	FY 1997-98	Total
General Fund	$482,469*	$360,192	$612,605	$846,475	$1,074,766	$1,194,154	$4,570,661
Fuhrman Fund	0	65,000	65,000	65,000	65,000	65,000	325,000
FEMA Funds	590,800	211,572	34,329	0	0	0	836,701
Library Foundation of San Francisco	0	525,202	500,000	350,000	124,798	0	1,500,000
Academy of Sciences	0	12,000	12,000	12,000	12,000	12,000	60,000
Total	$1,073,269	$1,173,966	$1,223,934	$1,273,475	$1,276,564	$1,271,154	$7,292,362

* $98,627 of existing appropriations would come from the Public Library's FY 1991-92 budget as carryover funds for existing automated circulation services.

5. Mr. McBride reports that the Public Library currently operates an automated circulation system which allows the Public Library to monitor whether books and periodicals have been checked out of the Library. Mr. McBride reports that the Public Library currently budgets approximately $281,688 annually for these services. However, Mr. McBride reports that these currently budgeted funds would be put towards the proposed electronic computer system. It should be noted that the Public Library's existing automation budget of approximately $281,688 and the $98,627 in anticipated carryover funds from FY 1991-92, for a total of $380,315, would still require an increase in General Fund monies of

approximately $102,154 for FY 1992-93 ($482,469 less $380,315). Mr. McBride anticipates that in order to make up the difference, or if the Public Library's automation FY 1992-93 budget is reduced below the $281,688 level, the Public Library would make up the difference with FEMA funds, or reduce expenditures in other areas.

6. The proposed equipment costs of $3,868,005, excluding installation, are for the following:

Digital Equipment Corporation (DEC) Software, Hardware and Services	$2,564,741
Information Access Database	136,454
On-Line Communications Library Corporation (OLCLC) Inventory Services	454,615
Software	712,195
Total	$3,868,005

Excluding hardware costs, the above listed total contract cost would be $1,887,224.

7. The proposed funds from the General Fund for the electronic computer system would be subject to annual appropriation decisions by the Board of Supervisors. The Digital Equipment Corporation lease agreement also includes a fiscal funding clause which would provide the City with the opportunity to refinance the lease after five years when the Library anticipates that there would be additional costs associated with the electronic computer system when the system would be on-line in the new Main Library. These additional costs would be incurred because the electronic computer system would be expanded from approximately 488 terminals to approximately 1,100 terminals. Mr. McBride reports that although the General Fund contribution is required as part of the lease agreement with Digital Equipment Corporation, the fiscal funding clause included in the lease agreement would either 1) allow the City to reduce its annual lease payment and extend the term of the lease, 2) allow the City to skip lease payments for one year and extend the lease term for one year, or 3) take away the equipment from the City if lease payments are not provided.

8. The above-listed total system cost of $7,292,362 does not reflect the additional equipment costs which would be required when the proposed electronic computer system is expanded when the new Main Library opens. However, Mr. McBride reports that $805,000 from the Library Foundation has been earmarked to pay for these equipment costs, in addition to the proposed $1.5 million which the proposed

approximately $102,154 for FY 1992-93 ($482,469 less $380,315). Mr. McBride anticipates that in order to make up the difference, or if the Public Library's automation FY 1992-93 budget is reduced below the $281,688 level, the Public Library would make up the difference with FEMA funds, or reduce expenditures in other areas.

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Total	$3,868,005

Excluding hardware costs, the above listed total contract cost would be $1,887,224.

7. The proposed funds from the General Fund for the electronic computer system would be subject to annual appropriation decisions by the Board of Supervisors. The Digital Equipment Corporation lease agreement also includes a fiscal funding clause which would provide the City with the opportunity to refinance the lease after five years when the Library anticipates that there would be additional costs associated with the electronic computer system when the system would be on-line in the new Main Library. These additional costs would be incurred because the electronic computer system would be expanded from approximately 488 terminals to approximately 1,100 terminals. Mr. McBride reports that although the General Fund contribution is required as part of the lease agreement with Digital Equipment Corporation, the fiscal funding clause included in the lease agreement would either 1) allow the City to reduce its annual lease payment and extend the term of the lease, 2) allow the City to skip lease payments for one year and extend the lease term for one year, or 3) take away the equipment from the City if lease payments are not provided.

8. The above-listed total system cost of $7,292,362 does not reflect the additional equipment costs which would be required when the proposed electronic computer system is expanded when the new Main Library opens. However, Mr. McBride reports that $805,000 from the Library Foundation has been earmarked to pay for these equipment costs, in addition to the proposed $1.5 million which the proposed

resolution would authorize the Public Library to accept. The acceptance of the additional $805,000 in funds would be subject to future Board of Supervisors approval. However, Mr. McBride also reports that it cannot yet be determined whether $805,000 would cover all of the additional costs associated with the expanded system.

9. Mr. McBride reports that the Public Library has already received the $836,701 in Federal Emergency Management Agency (FEMA) funds. Mr. McBride also reports that the Public Library received these funds from FEMA to perform a computerized inventory system of the existing collection.

10. The Fuhrman Fund is an annual allocation which the Public Library receives as part of the bequest given to the City by Mr. Alfred Fuhrman. Therefore, these funds are non-General Fund monies.

11. The funds which would come from the Academy of Sciences (AOS) would be contingent upon the AOS agreeing to lease computer terminals from the Public Library. Mr. McBride reports that this agreement has not yet been finalized. Mr. McBride also reports that if AOS does not agree to lease the terminals, then these funds would have to be funded through the General Fund.

12. Mr. Edwin Lee of the Human Rights Commission (HRC) reports that the HRC has inquired about the use of local MBE and WBE firms as subcontractors under the proposed lease agreement with Digital Equipment Corporation. Mr. Lee indicates that the Public Library, along with Digital Equipment Corporation has agreed to provide $362,118 or approximately 19.19 percent of the total contract of $1,887,224, excluding hardware, to local MBE or WBE firms. The Public Library reports that the following tasks would likely be awarded to local MBE or WBE firms: physical inventory/database creation for the Main Library, multilingual online catalog interface development, barcode creation, electrical work for equipment and wiring and cabling assistance. Although the Budget Analyst has received a written commitment from both the Public Library and Digital Equipment Corporation which indicates their commitment to use MBE or WBE firms as subcontractors, the Budget Analyst notes that there is not a written contract or agreement to specifically provide the 19.19 percent level of MBE/WBE participation. Digital Equipment Corporation indicates in their written commitment that "Digital fully qualifies all subcontractors financially and technically prior to being allowed to work in any of (their) customer facilities," and Digital fully intends to use local MBE or WBE firms as

long as these firms meet Digital's qualification standards. Mr. Lee reports that in the event that the use of MBE or WBE firms falls short of the above-stated goal, the HRC would require future MBE or WBE commitments for other Public Library and Digital Equipment Corporation contracts.

13. Approval of the proposed resolution would enable the Public Library to proceed with the installation of the electronic computer system. As previously noted, the total cost of the electronic computer system would be approximately $7,292,362, and approximately $4,570,661 would be funded through the General Fund over a six year period. The revised net estimated City budget deficit for 1991-92 is $22.055 ($61.055 previously estimated less $39.0 million of identified surpluses.) Subsequently, a $15.9 million error of the Employees Retirement System regarding Police and Fire Department retirement contributions) was disclosed which could decrease the estimated deficit to $6.155 million (assuming the allocation of the entire estimated net SB 855 revenues toward the deficit and assuming an allocation of $15.9 million from the Employees Retirement System (ERS)). Therefore, the Budget Analyst believes that approval of the proposed resolution is a policy matter for the Board of Supervisors.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 9 - File 101-89-34.7

Department: Public Library

Item: Release of reserved funds, for the Sunset Branch Library Renovation Project

Amount: $816,300

Source of Funds: 1988 Library Improvement Bond Fund

Description: The Board of Supervisors previously approved a supplemental appropriation in the amount of $11,366,423, for various capitol improvement projects for the Main Library and the Branch Libraries and for the creation of one 3634 Librarian III position (File 101-89-34). At the same time, the Board of Supervisors placed $3,692,062 on reserve. Of the $3,692,062, which was placed on reserve, $3,263,255 was reserved pending completion of construction cost estimates and a projected plan/schedule for the various Branch Libraries under consideration for improvements. The Finance Committee has subsequently approved the release of $1,595,060 of the $3,263,255 earmarked for the Branch Libraries, leaving a balance of $1,668,195 on reserve.

The Library is now requesting that $816,300 be released from reserve for the Sunset Branch Library Renovation Project. The Library advises that construction on this project is scheduled to commence in March of 1992. The Library's estimated cost for this project is detailed below:

Construction Contract	$662,300
Construction Management (DPW)	34,000
Construction Inspection (DPW)	40,000
Subtotal	$736,300
Contingency (10.9%)	80,000
Total	$816,300

Comments: 1. Mr. Russ Abel of the DPW, Bureau of Architecture reports that the $80,000, budgeted for contingencies, which exceeds the 10 percent norm, more closely reflects the actual amount needed for this type of construction which involves renovation of an existing building.

2. Mr. Abel advises that L. R. Construction firm has been selected through DPW's bid process to perform the necessary construction work on the Sunset Branch Library. L. R. Construction is neither an MBE or WBE firm.

Recommendation: Approve the release of reserved funds in the amount of $816,300.

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Item 10 - File 172-92-1

Note: This item was transferred from the Economic and Social Policy Committee as it was determined to have a fiscal impact on the City.

Item: Resolution approving Amendment No. 1 to the agreement for maintenance of State highways in the City and County of San Francisco, and authorizing the Mayor and the Clerk of the Board to sign Amendment No. 1 to said agreement.

Effect of Amendment: The proposed amendment will increase the maximum annual authorized expenditure eligible for reimbursement to the City and County of San Francisco by the State for maintenance work performed by the City on designated portions of State highways in San Francisco.

Source of Funds: California Department of Transportation (Caltrans)

Agreement Period: The proposed amendment would amend the agreement made between the City and County of San Francisco and the State of California, through the Department of Transportation in July 1990. The agreement will remain in effect until it is further amended or terminated. The effective date of the proposed amendment would be March 1, 1992.

Description: The California Department of Transportation and the City's Department of Public Works (DPW) negotiated a renewal agreement in 1990 for the maintenance of State highway routes on City streets in the City and County of San Francisco. This agreement superseded the previous agreement for maintenance of State highways which was executed September 19, 1973.

Under the existing agreement, the City performs the following types of maintenance work on the State highway routes, as delegated by the State:

(1) Roadbed maintenance.

(2) Maintenance of culverts, ditches, drains, fences, curbs and other structures, adjacent to the State highways (this would include vegetation control).

(3) Maintenance of lots under and/or adjacent to the State highways.

(4) Removal of litter and debris.

(5) Landscaping and maintenance of planted areas adjacent to the State highways.

(6) Maintenance of traffic strips and markings, raised pavement markers and signs and supports. Also, the maintenance and repair of guide posts, roadside markers, guardrails and median barriers.

(7) Maintenance of electrical facilities including flashing beacons, traffic signals, traffic signal systems, safety lighting and sign lighting (this also includes the electrical energy for these facilities).

The agreement can be amended by mutual consent of both parties. According to Mr. Richard Evans, Director of Public Works, the Department of Public Works and Caltrans have developed an approach to keeping freeway ramp areas in San Francisco cleaner.

The proposed amendment will add six areas on or around Highway 101 and Interstate 80 in San Francisco to the maintenance responsibilities of the Department of Public Works. The maximum annual authorized expenditure for reimbursement by the State for the City's maintenance costs for areas outlined in the agreement would increase by $60,000 from $458,700 to $518,700.

The two routes described in the original agreement which would be affected by the proposed amendment are:

1. State Route 80(a), 1.38 miles in length (Interstate 80)

James Lick Freeway from the Division Street Interchange to the First Street Interchange near the San Francisco-Oakland Bay Bridge.

The maximum annual authorized expenditure would increase by $33,400 from $33,000 to $66,400.

2. U.S. Route 101(a), 5.99 miles in length (Highway 101)

Bayshore and James Lick Freeways from south City limits at San Mateo County Line to junction of Central Freeway from the Division Street Interchange to end of freeway at Golden Gate Avenue.

The maximum annual authorized expenditure would increase by $26,600 from $62,800 to $89,400.

Comments:

1. According to Mr. Scott Shoaf, Deputy Director of Operations at DPW, the proposed amendment would obligate the City and County of San Francisco to perform litter removal at two additional interchanges of Interstate 80 and at three additional interchanges of Highway 101 and to perform general landscape work at planter boxes along a fourth Section of Highway 101.

The proposed amendment will not alter the text of the current agreement which describes the areas delegated to the City and County for maintenance. The new responsibilities are instead outlined on maps included in the amendment. The map legends show, and Mr. Shoaf confirms, that the new areas of responsibility are located:

Highway 101

(1) Southbound, on ramp area at South Van Ness Avenue;

(2) At the on and off ramp areas at Tenth and Ninth Streets at Bryant Street;

(3) At the Army Street Interchange;

(4) Raised planters along Bayshore Blvd. from Paul Avenue to Bacon Street.

Interstate 80

(1) Ramp areas at 8th, 7th, Harrison, and Bryant Sts.

(2) Ramp areas at 5th, 4th, Harrison, and Bryant Sts.

As noted above, State reimbursement for DPW maintenance on Highway 101 would increase by $26,600 and for work on Interstate 280 by $33,400.

2. Mr. Shoaf indicates that a higher level of reimbursement is available for two areas along I-80 than for four areas of Highway 101 because the I-80 areas comprise a total of eight ramp areas. The amendments concerning ramp areas of Highway 101 are less extensive, according to Mr. Shoaf, involving the addition of ramp areas Southbound only at S. Van Ness Avenue, short ramp areas at 9th and 10th Streets, and only incremental changes at the Army Street interchange.

3. Mr. Shoaf indicates that the proposed revisions to the agreement were suggested to Caltrans by DPW because of perceived inadequacies in the coordination of litter removal activities between the City and the State on the streets and highways, such that the areas were never entirely clean. By transferring responsibility for the ramp areas to the City, DPW hopes to ensure that litter will be removed completely on both the street and ramp areas in specified locations.

4. After proposing the shift in responsibilities, DPW was asked to submit a cost estimate for the work to Caltrans, according to Mr. Shoaf. Caltrans accepted the DPW cost estimate of $60,000.

5. Mr. Shoaf explains that the maximum annual authorized expenditure is a ceiling on reimbursement of costs by Caltrans. If the full amount is expended, DPW will perform no further maintenance in an area unless Caltrans agrees to increase the amount of reimbursement. Mr. Shoaf indicates that the maximum allowable reimbursement for the new areas in the amount of $60,000 is probably too high rather than too low, and he expects the amounts budgeted to be sufficient to meet the City's maintenance costs. Mr. Shoaf indicates that if funds are not available to reimburse the City's costs, the work will not be performed by the City unless new funding is agreed upon, and the City will incur no unforeseen expense as the result of the delegation of maintenance responsibilities to DPW.

6. Mr. Shoaf indicates that litter removal is often performed by individuals either participating in the Sheriff's Work Alternative Program or receiving General Assistance, thus minimizing DPW expense for labor costs. The cost estimate of $60,000 for the additional responsibilities was prepared by the Street Cleaning Division of DPW based upon the expected cost of providing the services, according to Mr. Shoaf.

7. As noted above, the effective date of the proposed amendment would be March 1, 1992. According to Mr. Shoaf, no maintenance work has yet been performed by DPW in the additional areas which would be delegated to the City and County if the proposed amendment is adopted.

8. The copy of the proposed amendment to the agreement between San Francisco and the State of California Department of Transportation which was originally submitted to the Clerk of the Board with the proposed resolution contained an effective date of December 1, 1991

but did not reflect that it had been approved as to form by the City Attorney's office. The proposed amendment to the agreement with Caltrans has now been revised to reflect an effective date of March 1, 1992, and Mr. John Roddy of the City Attorney's Office has now approved the proposed amendment as to form. Mr. Shoaf indicates that he will submit a copy of the proposed amendment to the Clerk of the Board showing the approval of the City Attorney's Office prior to consideration of the proposed resolution by the Finance Committee.

9. On January 28, 1992, the Economic and Social Policy Committee referred the proposed resolution to the Finance Committee due to the fiscal impact. As previously noted, the proposed amendment to the agreement with Caltrans would expand the responsibilities of the Department of Public Works and provide additional State reimbursement to the City for highway maintenance costs in an amount up to $60,000.

Recommendation: Approve the proposed resolution.

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Item 11 - File 114-91-11

Note: This item was continued from the Finance Committee's meeting of January 29, 1992.

Department: Department of Public Works, Bureau of Building Inspection (BBI)

Item: Ordinance amending Part II, Chapter 1 of the San Francisco Municipal Code (Building Code) by amending Section 333.3 relating to the fee for energy reports and certificates.

Description: The Bureau of Building Inspection (BBI) is proposing an amendment to the San Francisco Building Code, which would increase the fee charged by $5.00, from $5.25 to $10.25, a 95 percent increase, for providing Residential Energy Conservation compliance reports and certificates.

In September of 1991, the Board of Supervisors approved the Residential Water Conservation Ordinance (Ordinance No. 185-91), which required that BBI perform residential water conservation inspections concurrently with the present program of residential energy conservation inspections. The ordinance further provided that BBI provide inspection forms and certificates of compliance to document completed inspections. A copy of the certificate of compliance would then be furnished to the Water Department.

Because of the recent enactment of the Residential Water Conservation Ordinance, BBI is requesting an increase in the fees used to pay for the cost of providing the reports and certificates. BBI intends to redesign the residential energy conservation inspection forms and certificates to accommodate the requirements of the Residential Water Conservation Ordinance. BBI has estimated that the costs of implementing the requirements of the Residential Water Conservation Ordinance would increase as follows:

Computer Reprogramming to include residential water conservation requirements in database and to produce Water Conservation Ordinance reports for the Water Department	$2,000
Redesign and Printing of Residential Energy Conservation Ordinance inspection forms and certificates	1,000
Clerical Data entry (approximately 83 hours)	2,600
Administration and Supervision of Program (approximately 100 hours)	6,700
Total projected increase in cost	$12,300

BBI estimates that it conducts roughly 2,500 Residential Energy Conservation Ordinance inspections annually. Given an estimated cost of $12,300 to administer the Water Conservation inspections, BBI estimates the approximate increase in the fee charged for compliance reports and certificates would be $5.00 (The estimated increase is rounded to the nearest quarter of a dollar).

Comment:

1. BBI has included the $2,000 cost of reprogramming its computer and producing reports for the Water Department. Since BBI would be producing computer reports for the Water Department, the Water Department should pay for the reports.

2. BBI has also included the cost to redesign the inspection forms and certificate to track residential water conservation inspections performed by the Bureau. However, such one-time costs are relatively minor and could be absorbed by BBI. Most of the cost imposed by the Bureau will be the cost of printing, on a periodic basis, the multipart "NCR" inspection forms and certificates. Mr. Peter Burns of BBI advises that the estimated cost of the inspection forms and certificates is $0.25 per form, or a total cost of $1,000 per year, assuming 4,000 copies are produced (2,500 copies used by BBI inspectors plus 1,500 copies for inspections made by private energy inspectors). BBI furnishes the inspection forms to private energy inspectors. However, according to Mr. Burns, the total printing costs are not included in the calculation of the present fee associated with the Residential Energy Conservation Ordinance. Based on the cost of printing the inspection forms and certificates and the cost of providing the clerical and administrative time involved, the estimated fee increase would only be $4.25, not $5.00. Therefore, the proposed ordinance should be amended to reflect a fee increase from $5.25 to $9.50, an increase of $4.25.

3. Ms. Adelle Foley of the Mayor's Budget Office advises that the proposed fee increase, as amended, is reasonable.

Recommendation: Amend the proposed ordinance to increase the amount of the fee from $5.25 to $9.50, rather than a fee of $10.25, as requested by BBI.

Approve the proposed ordinance as amended.

Item 12 - Files 101-90-78.1

Departments:	Department of Public Works (DPW)
Item:	Request for release of reserved funds, for the San Bruno Men's Jail, to fund a seismic strengthening study, architectural and engineering services and various interim construction projects
Amount:	$1,034,000
Source of Funds:	1990 Earthquake Safety Bond proceeds

Description: In June of 1990, San Francisco voters authorized the sale of $332.4 million in bonds to fund capital improvements to restore earthquake damaged buildings. In March 1991, the Board of Supervisors approved a supplemental appropriation ordinance allocating $19,306,580 of these Earthquake Safety Bond proceeds to pay for design and construction repair work planned for various buildings and facilities (File 101-90-78).

Of the $19,306,580 total appropriation, the DPW requested funding in the amount of $1,284,000 for programming and preliminary design to seismically upgrade the San Bruno Men's Jail. At that time, the Capital Improvement Advisory Committee (CIAC) reported that, due to other structural problems with the facility, construction work to seismically upgrade the facility may not be cost effective. The CIAC recommended approval of $250,000 for an Environmental Impact Review and Master Plan study by the Department of City Planning to determine the desirability of seismically upgrading the jail facility. The CIAC further recommended that the remaining $1,034,000 be reserved until the Environmental Impact Review and Master Plan study was complete and a determination was made on the cost effectiveness of seismically upgrading the San Bruno Men's Jail facility. Therefore, the Finance Committee released $250,000 for an Environmental Impact Review and reserved $1,034,000 pending determination of the cost effectiveness of seismically upgrading the San Bruno Men's Jail facility. The DPW is now requesting that the $1,034,000 on reserve, which does not include the $250,000 released, be released, to be used as follows:

Seismic Strengthening Study Contract	$130,000
Bureau of Building Repairs	
Preservation Work	339,000
Immediate Repairs - Facility Upgrade	406,000
Bureau of Architecture	
Project Management and Planning	159,000
TOTAL	$1,034,000

Comments:

1. Mr. Jorge Alfaro of the DPW advises that the proposed project's Immediate Repairs and Preservation Work, at a total of $745,000, would improve the habitability of the San Bruno Men's Jail Facility by replacing 25 toilets, urinals, and sinks, replacing ten shower ceilings, and upgrading the heating and water systems.

2. The City is currently involved in litigation regarding the conditions of confinement at the San Bruno Jail, in *Besk v. City and County of San Francisco*, filed October 2, 1991, Mr. Dennis Aftergut of the City Attorney's Office advises. The allegations in the lawsuit include challenges to some of the physical conditions at the San Bruno Jail.

3. Mr. Calvin Malone of the CIAC reports that CIAC is concerned that the San Bruno facility may be inefficient and deteriorated, and that, if the building is structurally obsolete, available funds may be better spent in other areas. Mr. Malone advises that under the 1990 Earthquake Safety Bond, structurally obsolete facilities may be torn down and rebuilt.

4. According to Lt. Michael La Vigne of the Sheriff's Department, the Sheriff is preparing a proposed bond issue for the November 1992 ballot that would fund the construction of a new San Bruno Jail. However, the new facility could not be ready for occupancy until at least five years after funds for the new construction are approved, Lt. La Vigne reports. Therefore, the Sheriff has requested that the DPW perform certain upgrades and repairs to allow the facility to continue to be occupied until a new facility is available.

5. Mr. Alfaro advises that the $250,000, previously appropriated for an Environmental Impact Review and Master Plan study to determine the desirability of seismically upgrading the facility, was not expended for that purpose. Rather, those funds are now requested for Bureau of Architecture planning and management costs for the seismic upgrade study on the jail facility. According to Mr. Alfaro, the Bureau of Architecture has incurred costs of $50,000 against this $250,000 in planning the proposed project, including selecting a contractor for the seismic

study, meeting with the Sheriff's Department, and determining the needed repair and preservation work. The Bureau of Architecture does not need the remaining $200,000, Mr. Alfaro reports. Although the current request does not include this $250,000 previously released, the proposed release of reserve should be reduced by $200,000, since the Bureau of Architecture has $200,000 remaining from its previous appropriation that can be applied to the proposed project.

6. In addition to the $50,000 in Bureau of Architecture costs for overseeing the seismic study, the Bureau of Architecture is requesting $159,000, for Project Management and Planning for the Preservation Work and Immediate Repairs. This $159,000 represents over 21 percent of the total $745,000 for Preservation Work and Immediate Repairs. Since detailed expenditures reports are not available which would enable an independent oversight of DPW work order costs and since DPW overhead costs do not appear to be set at a consistent percentage, whether or not the $159,000 requested for Project Management and Planning is justified cannot be determined at this time.

7. Lt. La Vigne advises that the proposed seismic study would determine the present seismic danger of the facility, and the cost and scope of necessary seismic upgrades. Mr. Alfaro advises that, since the Earthquake Safety Bond measure was approved primarily for seismically upgrading City facilities, the DPW believes that the City has an obligation to implement seismic upgrades to the San Bruno Men's Jail. However, the bond measure does not specify that the San Bruno Jail, rather than other City facilities, should be seismically upgraded. Furthermore, the intention of the Sheriff's Department is to replace the current San Bruno Jail with a new facility, if a bond measure for the purpose is approved in November 1992. Although the Budget Analyst acknowledges that the San Bruno Men's Jail may be in need of seismic upgrading, and that, if approved, the construction of a new facility would not be completed for several years, other occupied City facilities are also in need of seismic upgrading. If the bond measure to build a new facility is approved, Earthquake Safety Bond funds might be better spent upgrading permanent City facilities. Therefore, the proposed $130,000 for a Seismic Strengthening Study could be reserved pending the outcome of the November 1992 election if the Board of Supervisors so decides.

Recommendation: (1) Whether $130,000 for a Seismic Strengthening Study should be reserved pending the outcome of the November 1992 election is a policy matter for the Board of Supervisors.

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(2) Continue to reserve $200,000, since the Bureau of Architecture has $200,000 remaining from a previous appropriation that can be applied to the proposed project.

(3) Release $704,000 ($339,000 for Preservation Work plus $406,000 for Immediate Repairs plus $159,000 for Bureau of Architecture Project Management and Planning, less the $200,000 identified above).

Memo to Finance Committee
February 12, 1992

Items 13 and 14 - Files 100-91-1.17 and 100-91-1.18

Note: These items were continued by the Finance Committee at its meeting of February 5, 1992.

Department: Department of Public Works (DPW)

Items: Release of reserved funds to purchase computer hardware and software equipment for the DPW, Environment Regulation and Management Division in the amounts of $28,200 (File 100-91-1.17) and $3,800 (File 100-91-1.18)

Amounts: $28,200 and $3,800, for a total of $32,000

Source of Funds: Sewer Service Charges

Description: During the FY 1991-92 budget process, the Finance Committee recommended that a total of $32,000 ($28,200 plus $3,800), included in the DPW's budget request to fund computer hardware and software equipment, be placed on reserve pending Electronic Information Processing Steering Committee (EIPSC) approval. The DPW reports that the proposed computer equipment would permit DPW, Environment Regulation and Management Division to (1) access DPW's main computer, as well as the Citywide management information system, (2) increase inspection report quality and automate data for the Residential Appeals Users Board hearings and (3) improve responsiveness to customer telephone inquiries.

EIPSC has reviewed and approved the following computer equipment:

Personal Computers (6 @ $3,600 each)	$21,600
Personal Computer (1)	3,500
Printer	2,100
Word Perfect Software (6 @ $766 each)	4,600
Lotus 1-2-3	500
	$32,300

Comment: As noted above, the EIPSC has approved computer equipment totalling $32,300, which is $300 more than the $32,000 placed on reserve. Mr. Gerald Costanzo of the DPW reports that the additional $300 required for the computer equipment will be paid for from surplus monies within the Department's existing 1991-92 budget.

Recommendation: Approve the proposed release of reserved funds in the total amount of $32,000 ($28,200 plus $3,800).

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Item 15 - File 64-92-1

Note: This item was continued by the Finance Committee at its meeting of January 29, 1992.

Department:	City Attorney Real Estate
Item:	Resolution authorizing the assignment of a lease of real property
Location:	1390 Market Street (Fox Plaza), Suite 1010
Purpose of Lease:	The child care center on the mezzanine of Fox Plaza is being expanded. During the construction, four Deputy City Attorneys, one law student, and three employees of the Bureau of Building Inspection would be temporarily displaced. The proposed temporary lease would provide space for those eight individuals.
Assignor:	Liebert, Cassidy and Frierson, a Professional Corporation
Number of Sq.Ft., and Cost/Month:	Approximately 1,979 sq.ft. @ $1.42/sq.ft. = $2,804/month
Total Cost:	The total estimated cost of the proposed lease, from March 1, 1992 to June 30, 1992 (four months) would be $11,216. On an annual basis, the cost of this lease is $33,648.
Utilities and Janitor Provided by Lessor:	All but electricity
Source of Funds:	General Fund
Term of Lease:	The lease would commence after approval by the Board of Supervisors, signature of the Mayor, and execution of the lease by the Real Estate Department, and could end June 30, 1992. If funds are appropriated for rental payments for the 1992-93 fiscal year, the term would expire January 22, 1993. The Budget Analyst estimates that the lease could be executed no earlier than late February.
Comments:	1. Liebert, Cassidy and Frierson holds a lease with Calfox, Incorporated, for 1390 Market Street, Suite 1010, that would be assigned to the City if the proposed resolution is approved. Mr. Phil Aissen of the Real Estate Department advises that a lease assignment differs from a sublease in that the City would assume all responsibility for the lease, and the original lessor relinquishes responsibility for the lease. The term of the lease that would be assigned to the

City would end January 22, 1993 unless the City notifies the lessor, in writing, of its intention to terminate the lease at an earlier date. The lease could be terminated either 90 days from the date such written notice is posted, or the last day of the fiscal year in which written notice is posted. Thus, the lease would not automatically terminate June 30, 1992, but would only terminate pursuant to action on the part of the City.

2. The proposed lease, at 1,979 square feet, would provide approximately 247 square feet of space for each of the eight individuals who would occupy that space. It should be noted that one of those eight individuals is a law student, who would work on an occasional basis, and three of those employees are Bureau of Building Inspection staff. In general, the Real Estate Department uses 200 square feet per full-time employee as a standard of sufficient space. According to Calfox, Incorporated, approximately five to six alternative spaces are vacant at Fox Plaza, ranging from 910 square feet to 1,375 square feet as of December 1991, and spaces might be available on a shorter term basis.

3. According to Mr. King, the construction for the expanded child care center is estimated to be completed in three and one half to six weeks, at which point, all of the displaced employees could return to their offices. Mr. King advises that Liebert, Cassidy and Frierson may not be willing to lease the space for less than four months.

4. The City Attorney's Office 1991-92 budget includes 181 permanent authorized employees, and salary savings equivalent to 14.1 FTEs were budgeted. In 1990-91, 185 employees were budgeted, with salary savings equivalent to 14.2 FTEs. Although the City Attorney's Office reports that all available space is filled, given that the equivalent of 14.1 positions are anticipated to be unfilled in 1991-92, we believe that it would not be unreasonable to use existing space in the City Attorney's Office for the anticipated need for this space of three and one half weeks to six weeks for the four City Attorney employees and the law student. Also, space, which could be occupied temporarily by the displaced individuals, is vacated by employees who are temporarily absent due to vacation, illness, or parental or other leave. If adequate space is not available in the City Attorney's Office, the three Bureau of Building Inspection employees could occupy Bureau of Building Inspection space on a temporary basis.

5. Ms. Martie Moore of the City Attorney's Office advises that reimbursements to the City Attorney's Office for space occupied by Bureau of Building Inspection personnel were not included in the City Attorney's fiscal year 1991-92 budget. Therefore, Ms. Moore advises that the City Attorney's Office would not need a supplemental appropriation to support the proposed lease. Mr. John Madden advises that the City Attorney's expenses are anticipated to be approximately $1.6 million over budget. If the proposed legislation is not approved, Mr. Madden advises, such reimbursements would offset that shortfall.

6. According to the Real Estate Department, the proposed monthly rental rate of $2,804 for 1,979 square feet at $1.42 per square foot represents the current fair market rental for the proposed space.

7. An office in City Hall, designated for three Board of Supervisors Legislative Policy Analysts and clerical support, is now empty because the three Legislative Policy Analyst positions are currently vacant. If the Board of Supervisors began the hiring process for those positions this week, the positions most likely could not be filled for two months. Although the Budget Analyst acknowledges that this space is smaller than the space currently occupied, it would not be unreasonable for the City Attorney to use this space for the three and one-half to six week construction project.

8. Given (a) that the proposed lease would include at least four months, and would automatically continue an additional seven months unless the lease is actively terminated, when it is anticipated that only three and a half to six weeks are needed, (b) that the proposed space per employee is larger than Department of Real Estate standards, (c) that it would not be unreasonable for the eight individuals to use the Legislative Policy Analyst space in City Hall as well as existing space leased or owned by the City for three and a half to six weeks, and (d) the City's anticipated $6.155 million deficit in 1991-92 (assuming the allocation of the entire estimated net SB 855 revenues toward the deficit and assuming an allocation of $15.9 million from the Employees Retirement System (ERS) based on the ERS error recently disclosed), the proposed lease should be disapproved.

Recommendation: Based on the term of the proposed lease, the fact that the amount of space per employee is larger than Department of Real Estate standards, because it would not be unreasonable to use existing City-owned or leased space for three and a half to six weeks and because of the City's anticipated $6.155 million deficit in 1991-92 (assuming the allocation of the entire estimated net SB 855 revenues toward the deficit and assuming an allocation of $15.9 million from the Employees Retirement System (ERS) based on the ERS error recently disclosed), disapprove the proposed resolution.

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Item 16 - File 68-92-3

Department: Mayor's Office of Housing and Community Development (MOHCD)

Item: Resolution authorizing the Mayor's Office to apply for, accept and administer a new grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed $3.7 million for the Shelter Plus Care Program authorized under Section 837 of the National Affordable Housing Act of 1990, Public Law Number 101-625. There will be no direct or indirect costs associated with the acceptance of these grant funds.

Grant Amount: Not to exceed $3.7 million

Source of Funds: U. S. Department of Housing and Urban Development (HUD)

Grant Period: June, 1992 to June, 1997 (Five years)

Project: Shelter Plus Care Program

Project Description: The proposed grant funds would be used to provide permanent affordable housing to homeless persons with disabilities, primarily serious mental illness, persons with chronic problems with alcohol and/or drugs, and persons with AIDS and related diseases. The MOHCD would be responsible for administering this program and would contract with three non-profit community-based housing agencies for rental units and the provision of social services.

No. of Persons to be Served: Unknown at this time.

Required Match: Contractors would be responsible for providing the necessary match. The City would not incur any costs in this regard.

Indirect Costs: Indirect costs are not permitted by HUD for these grant funds.

Comment: Mr. Marc Trotz of the MOHCD reports that a detailed budget for this project will be provided at the time that the Department submits its request to the Board of Supervisors for authorization to expend the proposed Federal grant. The proposed legislation would authorize the MOHCD to administer the new grant. While this language is intended to inform the State that the MOHCD will provide administrative oversight for these grant funds, it does not preclude the MOHCD from requesting authorization from the Board of Supervisors to expend this grant. Subsequent approval from the Board of Supervisors is required for the expenditure of this proposed grant.

Recommendation: Approve the proposed resolution.

Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Kent Sims
Adelle Foley
Ted Lakey

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Memo to Finance Committee
February 12, 1992

Public Library, Documents Dept.
ATTN: Gerry Roth

Item 6 - File 187-92-1

Departments:	Municipal Court Superior Court
Item:	Resolution to provide that the County elects to participate under the provisions of the State Trial Court Funding Program for the period of July 1, 1992 through June 30, 1993.

Description: The Trial Court Funding Program was established in September of 1988. The Trial Court Funding Act established provisions for county optional State subsidized Trial Court Funding as follows:

> The State will provide counties that elect to participate in the program (option counties) with a block grant for court operations of $233,709 annually for each judicial position (Judges, Commissioners and Referees) in the Superior, Municipal and Justice Court. A cost of living formula is provided for annual adjustments to the block grant.
>
> Additionally, the State will supplement the block grant by paying all but $9,500 of each Municipal Court and Superior Court Judge's annual salary.

Another key requirement of the Trial Court Program is that option counties must maintain the level of expenditure for court operations established in their first full fiscal year (1989-90) of participation in the Trial Court Funding Program, adjusted by a cost of living factor. If San Francisco should experience a reduction in revenue in future years and needed to reduce expenditures, this would mean that a greater proportionate share of any reductions in expenditures would have to be borne by City and County departments other than the Courts.

The deadline for San Francisco to elect to participate in the Trial Court Funding Program for fiscal year 1992-93 is March 1, 1992.

Comments: 1. San Francisco has previously elected to participate in the Trial Court Funding Programs for fiscal years 1988-89, 1989-90, 1990-91 and 1991-92. San Francisco has received the following amounts of Trial Court funding monies:

BOARD OF SUPERVISORS
BUDGET ANALYST

REVISED

Year	Amount
1988-89	$7,244,400 *
1989-90	15,246,000
1990-91	16,200,000
1991-92	18,968,097
Total	$57,658,497

*Based on six months of funding from January 1, 1989 through June 30, 1989. Annualized amount is $14,488,800.

2. If San Francisco elects to participate in the Trial Court Funding Program for fiscal year 1992-93, Ms. Kate Harrison of the Superior Court estimates that the net impact of these fiscal provisions would be an allocation of approximately $19 million to $22 million. According to Ms. Harrison, the estimated allocation would be based upon (1) whether the State decides to fund 55 percent of the City's Trial Court costs of $37.9 million (City and County costs for Court operations minus costs for defense of indigents and the Grand Jury) as opposed to the current 50 percent level and (2) If the State continues to fund these costs at the current 50 percent level, whether an inflationary factor would be included in the 1992-93 funding amount or if funding would continue at the 1991-92 cost rate. Ms. Harrison reports that the Governor has already indicated that it is unlikely that the State will fund 55 percent of the City's Trial Court costs in 1992-93. It should be noted that the additional Trial Court Funds will not cover all City and County costs for Court operations, which are currently approximately $39,667,184 per year.

3. Participation in the Trial Court Funding Program will lower the City's 1992-93 Gann Appropriations Limit by approximately $19 million to $22 million. Estimates of the City and County's 1992-93 Gann Limit are not available at this time.

4. In prior fiscal years, the Board of Supervisors committed by resolution, that no less than one-third of the Trial Court Funding Program block grant would be accounted to the Municipal and Superior Courts. All Trial Court Funding block grant monies which are not directly allocated to the Courts are credited to the General Fund which finances Court operations.

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CALENDAR

MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 19, 1992 - 2:00 P.M. ROOM 228, CITY HALL

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MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN
ABSENT: SUPERVISOR GONZALEZ - Items 4-15

CLERK: BARBARA STAVRO-TAYLOR

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

a. File 146-92-6. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Division of Mental Health and Substance Abuse Services, to apply for, accept and expend a grant of $175,032, which includes indirect costs in the amount of $6,732, based on four percent of the total award, from the McKinney Path Homeless Fund Federal Formula Grant for mental health outreach and case management services in San Francisco for the homeless mentally ill and the mentally ill at risk of becoming homeless; providing for ratification of action previously taken. (Dept. of Public Health)

b. File 146-92-8. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, Tom Waddell Clinic, to accept and expend a grant of $89,367 from the San Francisco Community Clinic Consortium as prime grantee of the health resources and services administration, for HIV Early Intervention Services; waiving indirect costs and providing for ratification of action previously taken. (Dept. of Public Health)

c. File 146-92-10. [Grant - State Funds] Resolution authorizing the Department of Public Health, Community Public Health Programs, to apply for a grant of $1,128,256 from the California Department of Health Services for breast and cervical cancer screening services to the residents of San Francisco; waiving indirect costs and providing for ratification of action already taken. (Dept. of Public Health)

d. File 146-92-11. [Grant – Federal] Resolution authorizing the Department of Public Health, AIDS Office, to apply for a grant of $500,000 from a collaboration of the Centers for Disease Control and the Health Resources and Services Administration for the AIDS Early Intervention Service Network Demonstration Project; waiving indirect costs. (Dept. of Public Health)

ACTION: Items 1b and 1c severed. Remainder Recommended.

Item 1b, File 146-92-8. Amended. Delete "Tom Waddell Clinic" from title. (See file for details.) Recommended as Amended.

Item 1c, File 146-92-10. Amended. Correct title to read "Community Public Health Services". Recommended as Amended.

REGULAR CALENDAR

2. File 100-91-7. Hearing to consider the status of the City's economic vitality and business climate. (Supervisors Gonzalez, Migden, Shelley)
(Cont'd from 1/22/92)

ACTION: HEARING HELD. CONTINUED TO MARCH 4, 1992.

3. File 100-91-9. Hearing to consider a mid-year budget review consisting of an assessment of the impact of the current economic recession on the fiscal integrity of City operations and the 1991-92 budget. (Supervisor Gonzalez)
(Cont'd from 2/12/92)

ACTION: HEARING HELD. CONTINUED TO FEBRUARY 26, 1992.

4. File 97-92-8. [Contracting Requirements – Guaranteed Maximum Costs] Ordinance amending the San Francisco Administrative Code by adding Section 21.10-1 thereto requiring that all contracts of the City and County for services, materials and supplies shall contain provisions guaranteeing maximum costs under the contract, and declaring that neither the City and County nor its employees and officers are authorized to exceed the costs or scope of services of a contract without a lawful amendment to the agreement. (Supervisor Shelley)

ACTION: AMENDMENT OF THE WHOLE ADOPTED. "Amending the San Francisco Administrative Code by adding Section 21.10-1 thereto requiring that all contracts of the City and County for services, materials, equipment or supplies shall contain provisions guaranteeing maximum costs under the contract, and declaring that neither the City and County nor its employees and officers are authorized to exceed the costs or scope of services of a contract without a lawful amendment to the agreement." RECOMMENDED AS AMENDED. (Supervisor Migden added as co-sponsor)

5. File 53-92-1. [Sewer Construction Financing] Resolution finding and determining that the Mariposa combined sewer overflow control facilities will protect and preserve the environment and that the use of loan funds is the most cost-effective method of financing the project; authorizing the Director of Public Works to apply for and enter into loan agreements not to exceed approximately $10 million. (Supervisor Gonzalez)
(Cont'd from 2/12/92)

ACTION: RECOMMENDED.

6. File 97-92-9. [Revolving Fund] Ordinance amending Section 10.136-1 of the Administrative Code to decrease the revolving fund of the Bureau of Claims of the office of the City Attorney, from $175,000 to $100,000. (Supervisor Gonzalez)

ACTION: RECOMMENDED.

7. File 65-92-4. [Lease of AIDS Research Center] Ordinance authorizing and approving lease of the Fifth and Sixth Floors of Building 3 at San Francisco General Hospital to the Regents of the University of California. (Real Estate Dept.)

ACTION: RECOMMENDED.

8. File 170-92-2. [Equipment Lease - Series 1992 Bonds] Ordinance providing for the approval and execution and delivery by officers of the City and County of San Francisco of an Equipment Lease Supplement No. 1 between the City and County of San Francisco Finance Corporation, as Lessor and the City and County of San Francisco, as Lessee with respect to equipment to be used for City purposes; and approving the issuance of Lease Revenue Bonds by said nonprofit corporation; and providing that said bonds shall be subject to the certification of the Controller of the City and County of San Francisco prior to the sale of said bonds; and providing for the execution of documents in connection therewith and ratifying previous actions taken in connection therewith. (Chief Administrative Officer)

ACTION: RECOMMENDED.

9. File 97-92-6. [Criminal Profiteering Activity Special Fund] Ordinance amending Administrative Code by adding Section 10.117-110 thereto, establishing a special fund by the receipt and expenditure of funds and property received in restitution and forfeitures in various criminal profiteering activity cases. (Police Commission)

ACTION: CONTINUED TO FEBRUARY 26, 1992 (at request of Police Commission and Mayor's Office).

10. File 31-92-1. [Employee Replacement] Resolution approving immediate filling of vacated position of Classification 4269 Chief Property Appraiser, Assessor's Office; as of February 1, 1992. RO #91154. (Assessor's Office)

ACTION: CONTINUED TO CALL OF THE CHAIR.

11. File 100-91-1.17. [Release of Funds] Requesting release of reserved funds, Department of Public Works, Environment Regulation and Management, in the amount of $28,200 to purchase computer hardware and software equipment. (Dept. of Public Works)
    (Cont'd from 2/12/92)

    ACTION: HEARING HELD. RELEASE OF $28,200 RECOMMENDED. FILED.

12. File 100-91-1.18. [Release of Funds] Requesting release of reserved funds, Department of Public Works, Environment Regulation and Management, in the amount of $3,800 to purchase computer hardware and software equipment (Dept. of Public Works)
    (Cont'd from 2/12/92)

    ACTION: HEARING HELD. RELEASE OF $3,800 RECOMMENDED. FILED.

13. File 101-91-1.20. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission/Hetch Hetchy, in the amount of $214,800 for consulting services in support of ongoing litigation related to the City's water rights. (PUC)

    ACTION: CONTINUED TO CALL OF THE CHAIR.

14. File 101-91-7.2. [Release of Funds] Requesting release of reserved funds, Fire Department - 1986 Fire Protection Bond, in the amount of $1,103,300 to complete the A.W.S.S. High Pressure Extension on Ingalls, Revere and Gilman Streets in the Hunter's Point area. (Fire Department)

    ACTION: HEARING HELD. RELEASE OF $909,186 RECOMMENDED. FILED.

15. File 146-91-35.2. [Release of Funds] Requesting release of reserved funds, Department of Public Health, Community Public Health Services, Family Health Services, in the amount of $67,000 for contractual services (to prevent a gap in services to women for cervical cancer screening and to expedite payment to one of our contractors, DSA Medical Services). (Dept. of Public Health)

    ACTION: HEARING HELD. RELEASE OF $67,000 RECOMMENDED. FILED.

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ATTN: Gerry Roth

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 · TELEPHONE (415) 554-7642

February 14, 1992

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TO: Finance Committee

FROM: Budget Analyst

SUBJECT: February 19, 1992 Finance Committee Meeting

Item 1a - File 146-92-6

Department: Department of Public Health (DPH), Division of Mental Health and Substance Abuse Services

Item: Resolution authorizing the DPH, Division of Mental Health and Substance Abuse Services, to apply for, accept and expend a grant of $175,032, which includes indirect costs in the amount of $6,732 based on four percent of the total award, from the McKinney Path Homeless Fund Federal Formula Grant, and providing for ratification of action previously taken.

Grant Amount: $175,032

Source of Funds: The McKinney Path Homeless Fund Federal Grant, through the State Department of Mental Health

Grant Period: July 1, 1991 to June 30, 1992

Project: Mental Health Outreach and Case Management Services for the Homeless Mentally Ill and the Mentally Ill at Risk of Becoming Homeless.

Project Description: The proposed Federal grant would be used by DPH to (1) fund contract services with Swords to Plowshares, a non-profit agency, for the provision of mental health services to homeless veterans and (2) fund mental health services for the homeless at the City-operated South of Market Outpatient Clinic. Specific client services provided by Swords to Plowshares includes crisis intervention, short-term individual and group counseling, peer support, advocacy, information and referral, and case management services. The South of Market Outpatient Clinic offers a full range of traditional psychotherapeutic outpatient services.

No. of Persons to be Served:

Swords to Plowshares - approximately 600 clients for FY 1991-92

South of Market Outpatient Clinic - approximately 600 unduplicated clients, 450 of whom are homeless or in very unstable housing.

Project Budget:

Swords to Plowshares		
Personnel		
Salaries (1.33 FTE)	$35,213	
Fringe Benefits	5,654	
Subtotal		$40,867
Operating Expenses		
Consultant Services	$2,799	
Office Supplies	1,232	
Rent, Utilities, Maintenance	3,303	
Insurance	269	
Client Related Expenses	711	
Administrative Overhead	6,801 *	
Subtotal		15,115
Total Swords to Plowshares		$55,982
South of Market Outpatient Clinic		
Personnel		
Salaries (1.17 FTE)	$56,906	
Fringe Benefits	12,262	
Subtotal		69,168
Operating Expenses		
Equipment Rental	$119	
Miscellaneous Operating Expenses	11,310	
Administrative Overhead and Evaluation	31,721 **	
Subtotal		43,150
Total South of Market Outpatient Clinic		$112,318
City Indirect Costs		6,732
Total		$175,032

* Swords to Plowshares is a multi-service center for veterans which provides legal services, vocational training, employment services, as well as the mental health services noted above. The $6,801 designated for Administrative Overhead costs represents 12.1 percent of the $55,982 portion of the grant pertaining to Swords to Plowshares and pays for the agency's costs to administer the mental health services program component.

** The $31,721 designated for Administrative Overhead costs represents 28.2 percent of the $112,318 portion of the grant pertaining to the South of Market Outpatient Clinic and pays for the cost for the Division of Mental Health and Substance Abuse Services to administer the above noted mental health services at the South of Market Outpatient Clinic. Such administrative costs include computer services, management oversight and project evaluation and contract monitoring.

Indirect Costs: $6,732

Required Match: $58,344 - In-kind match which is included in DPH's 1991-92 budget.

Comments:

1. As noted above, the proposed grant has a start-up date of July 1, 1991. Ms. Sherry Barto of the DPH, Division of Mental Health and Substance Abuse Services, reports that the primary reason that the Department is submitting this request at this time is because the State did not provide the written guidelines for the grant application until October of 1991.

2. As previously noted, this resolution provides for ratification of action previously taken.

3. Attached is a Summary of Grant Request, as prepared by DPH, for the proposed grant funds.

4. The DPH has prepared a Disability Access Checklist which is in the file.

Recommendation: Approve the proposed resolution.

Item No. ____________ **Health Commission - Summary of Grant Request** Rev. 4/10/90

Grantor McKinney PATH Federal Formula Grant thru STate Dept. of Mental Health
Contact Person Alan Nakano
Address Dept. of Mental Health, Division of Comm. Prog.
1600 - 9th St., Rm. 250, Sacramento 95814
Amount Requested $ 175,032
Term: From 7/1/91 To 6/30/92
Health Commission ____________

Division Mental Health & Substance Abu
Section Planning & Evaluation
Contact Person Sherry Barto
Telephone 255-3437
Application Deadline 11/27/91
Notification Expected ____________
Board of Supervisors: Finance Committee ____________
Full Board ____________

I. Item Description: (Circle appropriate words) Request to (apply for) (accept and expend) a (new) grant in the amount of $ 175,032 from the period of 7/1/91 to 6/30/92 to provide outreach & case management for homeless mentally ill.

II. Summary: (Community need addressed; number & groups served; services and providers)
This is a "new" grant because the Federal Government changed it and considers it "new". CMHS has received McKinney funds from State Dept. of Mental Health (DMH) since 1988, and uses this money to partially fund services to homeless vets through a contract and services to the homeless in the South of Market through a civil service outpatient clinic. This grant has already been included in the CMHS budget for FY91-92 based on information from DMH.

III. Outcomes/Objectives:
Swords to Plowshares: 1) All vets will be referred for additional services. 2) Less than 6% of those case managed will be hospitalized. South of Market: 1) Less than 5% of homeless will be hospitalized while in treatment. 2) 60% of homeless to move to more stable housing if remain in treatment for a minimum of 3 months.

IV. Effects of Reduction or Termination of These Funds:
For this fiscal year, City would pay for services already delivered and future services would be reduced and staff cut.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			$175,032		$58,344	
Personnel			168,300			
Equipment						
*Contract Svc.						
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs			$6,732			
VI. Data Processing (not included above)						
VII. Personnel						
F/T CSC						
P/T CSC						
Contractual						

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
Funding for the South of Market Clinic comes from the State Dept. of Mental Health, MediCal, MediCare, patient fees & insurance, county general funds.

Will grant funded employees be retained after this grant terminates? If so, How?
Will depend on the availability of state funding under realignment and county general funds.

VIII. Contractual Services: Open Bid ________ Sole Source X (If sole source, attach Request for Exemption Form)

*The CMHS contract with Swords to Plowshares has already been renewed for FY91-92.

Memo to Finance Committee
February 19, 1992

Item 1b - File 146-92-8

Department: Department of Public Health, Community Public Health Services, Tom Waddell Clinic

Item: Resolution authorizing the Department of Public Health to accept and expend a grant of $89,367 from the San Francisco Community Clinic Consortium, as prime grantee of the Health Resources and Services Administration, for HIV Early Intervention Services; waiving indirect costs and providing for ratification of actions previously taken.

Grant Amount: $89,367

Grant Period: January 1, 1992 to January 31, 1992

Source of Funds: San Francisco Community Clinic Consortium, as prime grantee of the Health Resources and Services Administration.

Project: HIV Early Intervention Services

Description: The proposed second-year grant would provide the Tom Waddell Clinic and Special Programs for Youth (SPY) health clinics, which are operated by the Department of Public Health (DPH), with Federal funds granted by the U.S. Health Resources and Services Administration to the San Francisco Community Clinic Consortium (SFCCC). SFCCC would award these funds to DPH, as subgrantee, for the provision of HIV early intervention services at the designated clinics.

Budget:

Personnel	FTEs		
Health Worker II	.85	$21,731	
Medical Records Technician	.50	18,556	
Nurse Practitioner	.50	27,300	
Total Salaries	1.85	67,587	
Fringe Benefits (26 percent)		17,573	
Total Personnel			$85,160
Materials and Supplies			4,207
Total Grant Budget			$89,367

Required Match: None

No. of Persons Served: Tom Waddell Clinic provides services to more than 17,000 individuals each year. DPH's Special Programs for Youth (SPY) health clinics provide services to more than 3,600 individuals each year. These grant funds will permit the clinics to reduce waiting times for these visitors and provide more effective case management.

Indirect Costs: None

Comments:

1. Dr. Janet Shalwitz of DPH indicates that the proposed grant funds would be awarded to DPH by SFCCC to augment HIV early intervention services administered through the SFCCC network of community health facilities, which are also funded by the grant from the U.S. Health Resources and Services Administration (HRSA).

2. DPH reports that it is the policy of HRSA not to allow indirect costs to subgrantees receiving these Federal funds. Therefore, the proposed resolution waives indirect costs.

3. Dr. Shalwitz reports that personnel costs included in the budget for the proposed grant have been paid from the General Fund since the grant period began January 1, 1992, and would be reimbursed by the proposed grant funds following the receipt of authorization to accept and expend the funds. Therefore, the proposed grant provides for ratification of actions previously taken.

4. The proposed grant budget of $89,367 includes only personnel costs ($85,160) associated with HIV early intervention services at the Tom Waddell and SPY clinics, and materials and supplies ($4,207) for clinic operations. The latter includes routine office supplies as well as clinic supplies such as syringes and bandages, according to Dr. Shalwitz.

5. The body of the proposed resolution states that the proposed grant is from the Health Resources and Services Administration, while the title reflects that the grantor is SFCCC, as prime grantee. Both the title and the body refer to the Tom Waddell Clinic but not to the Special Programs for Youth health clinics.

Dr. Shalwitz indicates that, consistent with the language of the title, the body of the proposed resolution should therefore be amended to reflect that the proposed grant is from the San Francisco Community Clinic Consortium, as prime grantee of the U.S. Health Resources and Services Administration, rather than from the Health Resources and Services Administration.

Mr. Bob Wolters of the Tom Waddell Clinic advises that references to the Tom Waddell Clinic can be deleted from the proposed resolution, since the Tom Waddell Clinic is operated by DPH and DPH is the recipient of the proposed grant funds.

6. Attached is a copy of the Summary of Grant Request prepared by DPH.

7. Disability access checklists for the Tom Waddell Clinic and the Special Programs for Youth health clinics are on file with the Clerk of the Board.

Recommendations: 1. Amend the proposed resolution by deleting references to the "Tom Waddell Clinic" on line 4 and line 12.

2. Amend the proposed resolution by inserting, between the words "from the" and "Health Resources and Services Administration" on line 12, the words "San Francisco Community Clinic Consortium, as prime grantee of the."

3. Approve the proposed resolution, as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Health Commission - Summary of Grant Request

Rev. 2/10/90

ntor • DHHS-Public Health Service
ontact Person Enrique Carter, M.D.
Address 50 U.N. Plaza
San Francisco, CA 94102
Amount Requested $ 89,367
Term: From 1/1/92 To 12/31/92

Division Community CPHS
Section Tom Waddell Clinic
Contact Person Bob Wolters
Telephone 554-2950
Application Deadline Not applicable
Notification Expected Awarded

Health Commission ____________ Board of Supervisors: Finance Committee ____________
Full Board ____________

I. Item Description: (Circle appropriate words) Request to ~~(apply for)~~ (accept and expend) as a sub-grantee a ~~a (new) (continuation) (allocation) (augmentation to a)~~ grant in the amount of $ 89,367 from the period of 1/1/92 to 12/31/92 to provide HIV-related services in the community. services.

II. Summary: (Concern/history; need addressed; number + groups served; services and providers)
The Department of Public Health collaborated with the San Francisco Community Clinic Consortium (SFCCC) to act as subgrantee to provide HIV early intervention services at clinic sites of both agencies. A formal contract will be negotiated between the SFCCC and DPH for purpose of proper administration of the award. At DPH, preventive and early intervention services will be provided at the Tom Waddell Clinic and Special Programs for Youth to patients at high-risk of HIV infection. These services are already being provided at these sites; the grant funds will enhance these existing services.

III. Objectives: Include: Increasing the number of HIV related clinic visits; provide prevention and management of HIV to homeless youth; provide enhanced medical case, consultation and (Contd)

IV. Effects of Reduction or Termination of These Funds:
Necessary service will not be expanded to meet increasing needs.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Rec. Match	Approved by
Grant Amount		86,127	89,367	+3,240		
Personnel		86,127	85,160	- 967		
Equipment						
*Contract Svc.						
Mat. & Supp.			4,207	+4,207		
Facilities/Space						
Other						
Indirect Costs						
VI. Data Processing (costs included above)						
VII. Personnel						
F/T CSC						
P/T CSC		2.35	1.85(for 10.0 to 10.5 months)			
Contractual						

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
Staffing will be a combination of new and existing staff.

Will grant funded employees be retained after this grant terminates? If so, How?
Existing City personnel will be retained; grant-funded personnel will be terminated.

*VIII. Contractual Services: Open Bid ____________ Sole Source ____________ (If sole source, attach Request for Exemption Form)

Continuation

Objectives include: case management to youth; reduce clinic waiting times for HIV related services; increase accessibility of primary-care services for HIV; to increase prevention services; to provide additional confidential tests for HIV; and to jointly develop minimum standard protocols for patient management.

Item 1c - File 146-92-10

Department: Department of Public Health (DPH), Community Public Health Services

Item: Resolution authorizing the Department of Public Health, Community Public Health Services, to apply for a grant of $1,128,256 from the California Department of Health Services for breast and cervical cancer screening services; waiving indirect costs, and providing for ratification of action already taken.

Grant Amount: $1,128,256

Grant Period: April 15, 1992 to June 30, 1994

Source of Funds: California Department of Health Services

Project Breast and Cervical Cancer Screening Services

Description: The Department of Public Health provides diagnosis and prevention services for breast and cervical cancer through the City's District Health Centers. DPH reports that although these services are available, prevention, diagnosis, and treatment services for low-income groups are underutilized because of a lack of information within the target population pertaining to prevention and treatment options.

The proposed grant would be used to promote preventive health care by providing outreach, education, and diagnostic screening for larger numbers of low-income women.

Budget: Dr. Geraldine Oliva of DPH reports that itemized budget details are not available at this time but will be submitted with a request for authorization to accept and expend the proposed grant funds. She indicates further that expenditure of these funds will be through a purchase of service agreement with the State of California, under which DPH will receive reimbursement from the State for costs incurred as services are provided, based on the number of clients seen at the health centers.

Required Match: None

No. of Persons Served: Services for 6,400 women are expected to be provided.

Indirect Costs: None

Comments:

1. Dr. Oliva reports that it is the policy of the California Health Resources Agency not to allow indirect costs for this grant. The proposed resolution therefore waives indirect costs.

2. The title of the proposed resolution refers to the Office of Community Public Health Services at DPH as "Community Public Health Programs" and should be amended.

Recommendation: Amend the proposed resolution to substitute the word "Services" for the word "Programs" on line 2.

Approve the proposed resolution, as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 1d - File 146-92-11

Department: Department of Public Health (DPH)
AIDS Office

Item: Resolution authorizing the Department of Public Health, AIDS Office, to apply for a new Federal grant, and waiving indirect costs.

Grant Amount: $500,000

Grant Period: July 1, 1992 through June 30, 1993

Source of Funds: Federal Centers for Disease Control (CDC) and the Federal Health Resources and Services Administration (HRSA)

Project: AIDS Early Intervention Services Network Demonstration Project

Description: The establishment of AIDS early intervention service network demonstration projects was previously funded in Fiscal Year 1990-91 through supplemental funding to the Federal AIDS/HIV Prevention Grant (File 146-91-49). The proposed grant funding would continue funding of this project and supplant the previous funding mechanism. The Early Intervention Services Network Demonstration Project is designed to increase the accessibility of services to underserved HIV positive individuals, especially communities of color, youth, intravenous drug users and women. The purpose of this separate and distinct funding, collaboratively administered by the CDC and HRSA, will be to further develop such programs by providing preventive, diagnostic, clinical and therapeutic services for persons with HIV infection as well as to establish or enhance referral and case management systems for early intervention services.

Required Match: None.

Indirect Costs: None. The proposed grant funds to be provided through the CDC and the HRSA are Comprehensive AIDS Resource Emergency (CARE) funds which cannot be used for indirect costs.

Comments: 1. Mr. Tim Piland of the DPH's AIDS Office reports that the AIDS Office will provide a detailed budget when the DPH requests authorization from the Board of Supervisors to accept and expend the proposed grant funds.

2. The DPH has completed a "Disability Access Checklist" which is in the file.

BOARD OF SUPERVISORS
BUDGET ANALYST

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
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Item 2 - File 100-91-7

Note: This item was continued by the Finance Committee at its meeting of January 22, 1992.

1. The item is a hearing to consider the status of the City's economic vitality and business climate.

2. According to the State Employment Development Department (EDD), the local and regional economy of San Francisco and the Bay Area is characterized primarily by a large and growing service sector. The service sector comprised 33.3% of jobs in San Francisco County in 1988. Below is a breakdown of jobs within San Francisco County in 1988 (the last year for which data are available), as determined by EDD, with projected percentage changes in the size of each sector through 1993. The substantial growth in the service sector is attributable to the strength of business services, engineering, accounting and research services, medical services, and legal services, and rapid expansion in the hotel industry.

Major San Francisco Industries and Projected Changes in Employment

	Percentage of S. F. Employment (1988)	Increases (Decreases) from 1988-1993*	Projected Percentage of S. F. Employment (1993)
Services	33.3%	11.4	35.9%
Government	16.1	1.7	15.8
Retail Trade	13.9	4.6	14.0
Finance, Insurance & Real Estate (FIRE)	13.9	-2.7	13.0
Manufacturing	7.4	-6.3	6.7
Transportation and Public Utilities	7.1	-2.3	6.7
Wholesale Trade	5.6	-3.5	5.3
Mining and construction	2.7	-4.5	2.5
Total Employment	100.0%	3.4	100.0%

* Column 2 shows the expected percentage change in employment between 1988 and 1993 by industry. Due to variations in the size of each industry (Column 1), and the projected increase of 3.4% in San Francisco's employment between 1988 and 1993, the net effect by 1993 cannot be obtained by simply adding the percentage changes shown by industry. Column 3 reflects the expected effect on San Francisco's total employment of these changes on each sector relative to its size.

3. Finance, Insurance and Real Estate has been a strong segment of the local San Francisco economy, representing 13.9% of San Francisco County jobs in 1988. A 1990 report of business conditions published by Standard & Poor's indicated that the segment's 11% share of Bay Area employment compared with an average share of 7% for Western metropolitan areas, and that banking's share

alone, at 5%, was "twice as concentrated" in the San Francisco area as in the average urban area of the nation. The report also noted that the 2% annual decline in banking employment since 1986 stemmed from "white collar consolidations now endemic to that industry." The effects of these trends on San Francisco's banking industry will hurt the local economy, but should also be interpreted in the context of such larger industry shifts.

4. Increasing Focus on International Trade. The region's economy is developing an increasingly important concentration in international trade, according to a 1991 report by the Center for the Continuing Study of the California Economy (CCSCE). The value of exports and imports passing through the San Francisco custom district more than doubled between 1983 and 1989. Many jobs in the finance industry and in legal and professional services are probably related to this growing segment of the economy. The two major groups of Trade (wholesale and retail) and Services could account for 70% of job gains in the Bay Area through 2000, with the strength of international trade being a prime determinant of the continued vitality of the regional economy.

5. Tourism. According to a February, 1991 report of the San Francisco Chamber of Commerce, tourism continues to grow at an annual rate of 2-4% annually, accounting for 11.1% of San Francisco jobs. These visitors are 30% business travelers, 36% conventioneers or tour groups, and 34% tourists or others, and they pay approximately $140 million in taxes annually to the City, as reported by the Chamber of Commerce.

6 Retail Sales/Effects of Recession. Figures from the California Board of Equalization and U.S. Chamber of Commerce indicate that taxable retail sales in San Francisco in 1990 were 5.6% higher than in 1989, as compared with an overall growth rate of only 3.4% for California. The 5.0% growth in sales within the San Francisco Primary Metropolitan Statistical Area (San Francisco, Marin, and San Mateo Counties) was higher than for the Bay Area taken as a whole, with retail sales growth of 2.8%. Sales grew by 3.8% in 1990 for the nation.

Board of Equalization figures also show that taxable retail sales in the first half of 1991 decreased by 1.3% over the same period in 1990. This compared favorably with a decline of 3.6% for California and 6.3% for Los Angeles.

7. Growing Apparel Industry. San Francisco is now the third largest apparel manufacturing center in the U.S., according to the Chamber of Commerce, accounting for 30% of the manufacturing jobs in the City. Gains in this industry are due in part to shifts in the retail industry away from large department stores toward specialty and chain stores. Retail apparel stores are expected to exhibit employment gains between 1988 and 1993 of 3.4%, according to EDD.

8. Future Growth of Bay Area Jobs and Population. According to CCSCE's 1991 report, the Bay Area will add more jobs than any California region, except the Los Angeles Basin through the year 2000, although the rate of growth will be the slowest of all regions of the State. Rates of job growth for all regions of California will still exceed the national average.

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CCSCE reports that job growth in the Bay Area will entail a substantial increase in population. CCSCE estimates that the region could increase by as many as 877,000 new residents by the year 2000, slightly more than the estimated 844,000 new residents added between 1980 and 1990.

According to U.S. Census figures, San Francisco's population grew by 6.6% in the 1980s, slower than the Bay Area growth rate of 16.5% for the period. The number of Asian residents increased by 43%, while the number of Hispanic residents grew by 20.8%. These figures suggest that the nation's strong increase in immigration from abroad during the decade may have accounted for a significant portion of San Francisco's population growth.

9. Increased Decentralization of Housing and Jobs. Growth during the 1979-89 period was accommodated through greater decentralization of housing and employment centers. The very high rate of job growth in outlying areas of the region between 1979-90 is shown in Exhibit 1. Changes in percentage employment shares of Bay Area counties between 1972-1989 is shown in Exhibit 2, which reflects the decline in San Francisco's share of Bay Area employment from 25.1% in 1972 to 19.4% in 1989.

10. Job Growth in San Francisco. A 1990 guide to business conditions published by Standard and Poor's indicates that the average annual job growth of 1.4% in the San Francisco area between 1986-89 was the fifth worst rate of growth among 23 metropolitan areas in the West. This was attributed to high building costs, a lack of affordable building space, and out-migration of business due to low office vacancy rates and associated high rents.

According to the Mayor's Office of Business and Economic Development, job growth in San Francisco is constrained by business density and growth restrictions, although the City's "compound annual rate of employment growth since 1988 at 1.5% has been higher than for any other four year period since 1972."

11. Commercial vacancy rates. Business expansions into San Francisco are influenced in part by the availability and cost of office space. Figures issued in late 1991 by MOBED, citing the Society of Office and Industrial Realtors, indicate that San Francisco's office vacancy rate of 15.1% is the second lowest of the top ten real estate markets in the nation, after New York City (13.7%). The Chamber of Commerce recently announced renewed efforts to attract and retain businesses in San Francisco. According to Mr. Jim Lazarus of the Chamber of Commerce, commercial rents in San Francisco have become more competitive with neighboring communities, but the local business tax is still a significant burden which creates a disincentive to firm location in the City.

12. Business Taxes. San Francisco's business tax is assessed either on a firm's total payroll or total gross receipts, with the base chosen which produces the higher tax assessment. A firm is exempt from the business tax if its liability is less than $2,500, but all businesses must pay a business registration fee of $150. The registration fee is waived for firms grossing less than $15,000.

According to Mr. John Tanaka in the Tax Collector's Office, in Fiscal Year 1990-91, only 6,500 of the 56,000 firms doing business in San Francisco, or approximately 11.6%, paid business tax to the City.

Of the firms which do pay business tax, most pay the tax on payroll rather than gross receipts. In FY 1990-91, according to Mr. Tanaka, the City received $126 million in payroll taxes and $21 million in gross receipts taxes, for a total of $147 million in business tax revenue. (Of the total business tax receipts, this equates to 85.7% payroll tax and 14.3% gross receipts tax.)

The gross receipts tax rate differs for different types of businesses in the City. The Tax Collector classifies businesses among 15 categories, and assigns tax rates of either .123% ($1.23 per $1,000 of gross receipts), .15%, or .30% according to the business classifications. According to Mr. Tanaka, these differential rates have been adjusted slightly over the years, but are essentially patterned after the Los Angeles business tax ordinance which was used as a model for San Francisco's business tax when it was adopted in 1968. Many businesses in the Finance, Insurance, and Real Estate sector are exempt from local business taxes under California law.

13. Labor Supply/Unemployment. Another factor influencing business location decisions is the availability of skilled labor. A 1990 Standard and Poor's report indicated that the San Francisco area's unemployment rate of 3.4% in 1989 was among the 20 lowest in the nation, and that the higher growth rate of jobs relative to growth of the labor rate had significantly tightened the labor market between 1986-89.

Figures from EDD indicate that unemployment in San Francisco in 1990 was 4.0%, somewhat lower than the 5.6% rate in California and the national average of 5.5%. Even during the current recession, the City's unemployment rate has been relatively low, with the unadjusted rate for October 1991 being 5.3% in San Francisco compared to 7.8% in Los Angeles, 7.3% Statewide, and 6.4% nationally.

14. Per capita income/Housing costs. Per capita income in the Bay Area is among the highest in the nation. The $28,000 per capita income level in the San Francisco Metropolitan Statistical Area (including Marin and San Mateo Counties) in 1989 was the second highest in the nation; San Francisco's level was $28,742.

The CCSCE report indicates that per capita income in the Bay Area grew at an average annual rate of 2.1% between 1979-89, faster than the State average of 1.1% and faster than any other region in the State. Total personal income rose at an average annual rate of 3.6% in the same period, compared to the national average of 2.7%. According to the report, however, "high wage rates only partly offset high housing prices," with the Bay Area having the 14th least affordable housing market in the nation, second in California only to Anaheim.

15 Housing Construction. CCSCE reports that residential housing construction in the Bay Area will continue to be strong, but that it will be concentrated outside of San Francisco in areas where land is abundant and less costly. The "residential focus," therefore, "will continue moving to the fringes."

Continued lack of residential space and affordability in San Francisco will result in continuing high prices for labor and possible shortages of skilled workers, continuing problems of inadequate transportation, and continued high personal expenditures for housing services.

Exhibit 1

San Francisco Bay Area
Wage and Salary Jobs by Subregion
1979-1990
(Thousands)

	1979	1984	1990	% Growth 1979-84	% Growth 1984-1990
Oakland MSA	681.7	738.9	909.7	8.4%	23.0%
San Francisco MSA	847.6	906.4	978.2	6.9%	7.9%
San Jose MSA	644.0	783.2	831.5	21.6%	6.2%
Santa Rosa MSA	93.8	113.1	149.4	20.6%	32.1%
Vallejo-Napa MSA	103.1	113.9	146.0	10.5%	28.2%
San Francisco Bay Area	2,370.2	2,655.5	3,014.8	12.0%	13.5%

Source: EDD

From: California Economic Growth, 1991 Edition
Center for Continuing Study of the California Economy

Exhibit 2

Decentralization of Employment in the Bay Area Economy
1972-1989

County	Employment Share 1972	 1981	 1989
Alameda	23.1%	19.7%	19.7%
Contra Costa	7.8%	8.0%	9.7%
Marin	2.7%	3.0%	3.1%
Napa	1.3%	1.4%	1.5%
San Francisco	25.1%	22.6%	19.4%
San Mateo	10.7%	10.3%	10.0%
Santa Clara	22.9%	28.0%	28.5%
Solano	2.9%	2.9%	3.5%
Sonoma	3.4%	4.1%	4.6%

Source: *Wage and Salary Employment Data*, California Employment Development Department.

From: San Francisco Bay Area Economy: 1990 and 1991
Special Report of the Association for Bay Area Governments

Item 3 - File 100-91-9

Note: This item was continued by the Finance Committee at its meeting of February 12, 1992.

This item is a hearing to consider a mid-year budget review, consisting of an assessment of the impact of the current economic recession on the fiscal integrity of City operations and the 1991-92 budget.

Representatives from the five largest General Fund departments in the City, which includes the Department of Public Health (DPH), the Municipal Railway (MUNI), the Department of Social Services (DSS), the Police Department and the Fire Department attended the Special Finance Committee Meeting on January 16, 1992 to present information regarding the status of their Fiscal Year 1991-92 budgets. The issues of Police overtime, workers compensation, City Attorney interdepartmental reimbursements, General Assistance and Federal and State funding shortfalls were also addressed by these departments, as well as the Budget Analyst and the Controller. Each of these five departments were requested to submit a report to the Finance Committee, covering both short term and long term issues and options and outlining possible ways to reduce their expenditures. In addition, these departments were requested to meet with the Budget Analyst, the Mayor's Office and the Controller to discuss various reductions that can be implemented in their 1991-92 budgets.

The amount of the 1991-92 Fiscal Year General Fund budget included in the City's $2.4 billion total 1991-92 Fiscal Year budget is approximately $1.3 billion. The 1991-92 Fiscal Year budgets, and the number of full-time authorized positions, as approved by the Board of Supervisors, for the five largest General Fund departments, are as follows:

Department	Amount	Number of Full-Time Authorized Positions
DPH	$489.9 million	5,870
MUNI	279.6 million	3,338
DSS	276.9 million	1,275
Police	184.6 million	2,468
Fire	149.4 million	1,605
Totals	$1,380.4 billion*	14,556**

* Includes non-General Fund monies.

** Total full-time authorized positions for all City Departments in Fiscal Year 1991-92 is 25,094.

On January 13, 1992, the Controller's Office issued their fourth Critical Financial Issues report, which tracks key items for Fiscal Year 1991-92 through November, 1991. The key revenue items include property transfer taxes, traffic fines and MUNI fares and the key expenditure items include Police overtime/extended work week, General Assistance, Workers Compensation, City Attorney departmental reimbursement and Superior Court fees and compensation. The following is provided as additional information on various key expenditure items:

Police Department Uniform Overtime and Extended Work Week

The Controller's Critical Financial Issues Report for the period July 1, 1991 to November 30, 1991 states that the Police Department has spent $3.989 million out of the twelve-month budget of $4.465 million for uniform overtime and extended work week. The Controller's report adds that the Department intends to recover $500,000 from the Housing Authority and transfer $1.2 million from unspent salary and fringe benefit savings to offset the anticipated need for a supplemental appropriation.

According to the Police Department's estimates, which are largely substantiated by spending trends this fiscal year, an overexpenditure of $3.7 million for uniform overtime and extended work week (overtime payments for such items as events and demonstrations) can be anticipated even after the transfer of $1.2 million in excess salary and fringe benefit savings and $500,000 collections from the Housing Authority described above.

In addition to overtime and extended work week, the Department expects to overspend Holiday Pay by approximately $300,000 and uniform differential pay by an unspecified amount. Some of these overexpenditures, totalling approximately $4.0 million, will be offset by savings in other accounts. The amount of such savings cannot be estimated at this time.

The Chief of Police has reportedly instituted new controls on expenditures for extended work week and certain types of overtime. For instance, no extended work week pay will be authorized for anything other than demonstrations and planned special events (such as Cinco de Mayo and the Gay Freedom Day Parade). Special law enforcement projects which have formerly been conducted by officers assigned to extended work week duty will now be conducted by on-duty details.

Miscellaneous overtime expenditures will also no longer be authorized without prior approval by a Deputy Chief. However, this is a small portion of total overtime expenses. Most uniform overtime is subject to limited management control over such matters as court appearances (primarily scheduled by the District Attorney), arrest time and investigations.

General Assistance

The Department of Social Services appropriation for General Assistance aid payments for FY 1991-92 is $42,819,374. In the annual budget review, the Budget Analyst had commented that the proposed appropriation for General Assistance was understated by between $3.5 to $5 million.

As of November 30, 1991, General Assistance expenditures have totalled $19.9 million. At current rates of expenditure and projected caseload trends, the Budget Analyst estimates that a supplemental appropriation of between $6.1 million and $7.5 million will be required for the balance of this current 1991-92 Fiscal Year. Our projection is consistent with the five months of experience of GA expenditures used by the Controller's Office, which is estimating a supplemental appropriation in an amount ranging from $6 million to $8 million.

Workers Compensation

The Fiscal Year 1991-92 budget includes a total of approximately $20,691,000 for workers compensation expenses. Of this amount, approximately $17,577,000 is for General Fund and General Fund supported departments (i.e., MUNI, Laguna Honda and General Hospital) and $3,114,000 is for Special Fund departments. Through the first six months of this fiscal year, December 31, 1991, a total of approximately $12,193,000, or 69 percent of General Fund expenditures and $2,069,000 or 66 percent of Special Fund expenditures has been spent for workers compensation. As a result, a supplemental appropriation of additional workers compensation funds for both the General Fund and Special Funds will be required this fiscal year. The General Fund supplemental appropriation is projected to be approximately $9 million.

The Chief of Police reports that he intends to re-assign two Inspectors to investigate workers compensation abuses in the Police Department. In the last fiscal year (1990-91), the Police Department accounted for $600,000 of the total Citywide supplemental appropriation for workers compensation payments.

In response to legislation adopted by the Board of Supervisors in September, 1991, a workers compensation task force has been created to act in an advisory capacity to the Mayor and the Board of Supervisors regarding containment of workers compensation costs. This task force is currently reviewing studies and previous task force recommendations in order to provide recommendations to the Mayor and the Board which could be incorporated into the City's 1992-93 budget.

City Attorney Departmental Reimbursement

The Controller's Critical Financial Issues report for the period July 1, 1991 through November 30, 1991 identifies that the City Attorney's Office has expended $4.683 million of the total twelve-month budget of $9.696 million for various departments. This Controller's report concludes that, similar to the 1990-91 fiscal year, when supplemental appropriations from various departments were required for City Attorney services, the City Attorney will again require a supplemental appropriation for fiscal year 1991-92. The Controller reports that new personnel requisitions for the City Attorney's Office are being monitored closely and that some surplus transfer of funds may be available to offset some of these additional City Attorney expenditures.

1991-92 Budget Analyst Recommendations Not Previously Adopted

In response to the request of the Finance Committee on January 16, 1992, the Budget Analyst compiled the line item recommendations and policy options that were submitted to the Finance Committee, but which were not adopted, during the 1991-92 budget hearings.

In terms of the General Fund, during the fiscal year 1991-92 budget review, the Budget Analyst made specific recommendations for reductions of appropriations of approximately $1.2 million for 17 departments which were not accepted by the Finance Committee. These recommendations included several positions in the Department of City Planning, Public Health Department, Department of Parking and Traffic, Recreation and Park Department and the Superior Court which we recommended for deletion. Other recommendations concerning travel, overtime, holiday pay and salary savings were included. In addition, we originally made recommendations concerning the deletion of 53 Chief's Aides in the Fire Department for an additional annual savings of approximately $4.5 million in salaries and fringe benefits. All of the Budget Analyst's recommendations, not previously taken, which we previously transmitted to the Finance Committee on February 4, 1992 for its meeting of February 5, 1992, are contained in the Board's File (100-91-9). The Budget Analyst notes that these recommendations have not been updated to reflect changes that have occurred during the past seven months of the fiscal year. Such changes can result in greater or lesser reductions than previously recommended. Therefore, the Budget Analyst recommends that any such recommendations, not previously taken, where applicable, should be taken in coordination with the recommendations submitted by the individual departments.

All of the Budget Analyst's policy options presented to the Finance Committee during the fiscal year 1991-92 budget hearings were previously transmitted to the Finance Committee for the February 5, 1992 and the February 12, 1992 Committee meetings. In addition, according to the Controller's current reports, there is a total of approximately $2.0 million of appropriated General Funds that have been placed on reserve by the Finance Committee. The Finance Committee has the discretion to approve or deny the release of these reserves for the remainder of the fiscal year. These reserves should be considered as part of the overall expenditure reduction plan to be developed by City departments.

Joint Report of the Controller, the Mayor's Budget Director and the Budget Analyst

On February 5, 1992, the Controller submitted their six month status report, which projected a $54.055 million deficit for the fiscal year 1991-92 budget. The Controller, the Mayor's Budget Director and the Budget Analyst also submitted a separate joint report on February 5, 1992 which identified an additional $7.0 million obligation for fiscal year 1991-92, resulting in a total $61.055 million deficit for the current 1991-92 fiscal year. Based on recommended actions to transfer $39.0 million of surplus funds from reserves and other accounts, such actions would result in a 1991-92 net estimated deficit of $22.055 million. Subsequently, an error in the Employees Retirement Systems' (ERS) setting of the Police and Fire Departments' retirement contribution rates detected in ERS' actuarial analyses resulted in an overbudgeting of an additional $15.9 million in Retirement Contributions, which has now reduced the City's projected General Fund deficit to $6.155 million for fiscal year 1991-92. However, this $6.155 million estimated deficit assumes that the City will receive all of the net estimated $25 million in SB 855 monies and that the entire amount of such monies are applied toward the City's projected 1991-92 deficit.

On November 27, 1991, the Mayor's Office, the Controller and the Budget Analyst issued a joint report projecting a $91.7 million shortfall for Fiscal Year 1992-93. This latter report has not, as yet, been updated.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 4 - File 97-92-8

Item: Ordinance amending the San Francisco Administrative Code by adding Section 21.10-1 thereto requiring that all contracts of the City and County for services, materials and supplies shall contain provisions guaranteeing maximum costs under the contract, and declaring that neither the City and County nor its employees and officers are authorized to exceed the costs or scope of services of a contract without a lawful amendment to the agreement.

Description: In the past, Departments have occasionally entered into contracts that did not contain provisions guaranteeing maximum costs. For example, a contract may stipulate that if a service proves to be more time consuming than anticipated, the contractor will reduce its work or increase its fees accordingly. Such a contract may not be in the best interests of the City, since it gives the contractor an incentive to exaggerate the complexity and costs of a project because, by doing so, increased fees to the contractor might result. The proposed ordinance would require that all contracts of the City for services and/or materials and supplies contain provisions guaranteeing maximum costs under the contract to eliminate this incentive from City contracts.

Also, Departments have occasionally requested that a contractor expand the scope of services or incur costs in excess of the amount previously appropriated by the Board of Supervisor, prior to receiving authorization to do so from the Board of Supervisors. If the Board of Supervisors refuses to authorize an increase in costs for work requested by a Department, the City Attorney advises that the City may still be liable for the increased costs, if the services were requested by an authorized Departmental employee. Thus, the Board of Supervisors may, at times, have felt compelled to approve, retroactively, additional payments for contractual services that otherwise might have been disapproved by the Board if the Board had had the opportunity to review the matter in advance. The proposed ordinance would declare that neither the City and County nor its employees and officers are authorized to exceed the costs or scope of services of a contract without a lawful amendment, which includes prior approval of the Board of Supervisors for the additional funds before the contractor is permitted to incur any additional obligations.

Comments: 1. According to Mr. Ted Lakey of the City Attorney's Office, the proposed ordinance has two purposes. First, it explicitly states, so that all Departments and their employees are informed and understand, that maximum costs shall be written into all service contracts and that no employee may authorize a contractor to incur additional costs beyond those costs previously appropriated by the Board of Supervisors, without prior approval by the Board. Second, according to Mr. Lakey, the proposed ordinance would put the City in a better position to argue that any contract or amendment to a contract is unlawful, if a Department requests that such contracts or amendments exceed the costs previously appropriated by the Board of Supervisors.

2. The proposed ordinance states that exceptions may be made as provided by City ordinances governing emergency situations, such as sewer repair in the Department of Public Works or emergency runway repairs at the Airport.

Recommendation: Approve the proposed ordinance.

Item 5 - File 53-92-1

Note: This item was continued from the February 12, 1992 Finance Committee meeting.

Department: Department of Public Works (DPW)
Clean Water Program (CWP)

Item: Resolution finding and determining that the Mariposa combined sewer overflow control facilities will protect and preserve the environment and that the use of loan funds is the most cost-effective method of financing the project; authorizing the Director of Public Works to apply for and enter into loan agreements not to exceed approximately $10 million.

Description: The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-89-148) which appropriated funds for the construction of the Mariposa Facilities. That supplemental appropriation ordinance (File 53-92-1) appropriated the following revenues:

1970 Water Pollution Control Bonds	$ 772,000
1976 Sewer Revenue Bonds	3,456,568
1988 Sewer Revenue Bonds	633,002
State Revolving Loan Fund (State Water Resources Control Board)	7,236,358
Total	$12,097,928

The Mariposa Facilities project includes the connection of storm water drains into the combined sewer facilities for treatment and disposal, which will ensure that pollutants carried by the storm water will not spill into the San Francisco Bay. These facilities will primarily be located underground Mariposa Street.

On December 21, 1989, the Board of Supervisors approved the use of State loan funds to finance the construction of the Mariposa facilities. As noted above, the previously approved supplemental appropriation ordinance (File 101-89-148) included $7,236,358 in State Water Resources Control Board (SWRCB) Revolving Loan funds. The State is now willing to loan the City an additional amount of approximately $2,323,267 for the construction of the storm water control portion of the Mariposa Facilities project, which would bring the total loan for the Mariposa Facilities project to approximately $9,559,625.

City Charter Section 7.300(6) specifies that the City may accept loans directly from the State of California for projects that are intended to protect or preserve the environment, where the acceptance of the loan would be the most cost-effective method of financing such projects. The Charter further specifies that the determination of what constitutes the most cost-effective method of financing shall be made by resolution to the Board of Supervisors, based on a recommendation by the Chief Administrative Officer.

The proposed resolution would provide that the Chief Administrative Officer has advised the Board of Supervisors that use of State Revolving Loan Funds for construction of the Mariposa facilities is the most cost-effective method of financing the project, and would authorize the Director of Public Works to apply for and enter into loan agreements not to exceed approximately $10 million, which is approximately $2.8 million more than the approximate $7.2 million in State Revolving Loan Funds which the Board of Supervisors previously approved (File 101-89-148).

Comments:

1. In accordance with the Charter Section 7.300(6), the CAO has determined that the City's acceptance of a State loan for up to approximately $10 million is the most cost-effective method of securing financing for the construction of the Mariposa facilities (see Appendix A for the results of the analysis and see Appendix B for the methodology).

2. The estimated total construction costs for the proposed Mariposa facilities are $12,097,928, including the $7,623,758 in State Revolving Loan Funds. Mr. Manfred Wong of the DPW's Clean Water Program reports that the amount of the State Revolving Loan Fund monies would increase to $9,559,625, which would free up $2,323,267 in bond funds which were originally appropriated for the project (File 101-89-148). Mr. Wong also reports that these $2,323,267 in bond funds would be used for other ongoing Clean Water capital improvement projects. However, these bond funds would be subject to future appropriation decisions by the Board of Supervisors.

3. The analysis included in Appendix A and Appendix B compares the cost of borrowing from the State Revolving Loan Fund versus issuing revenues bonds. This analysis shows that it is more cost-effective for the City to borrow from the State Revolving Loan Fund at a 3.10 percent interest rate, than to borrow at the current estimated 6.62 interest rate for Sewer Revenue Bonds. Mr. Bob Hesse of the DPW's Clean Water Program reports that the analysis assumes that the

$2,323,267 in bond funds freed up from increasing the State Revolving Loan Fund amount would be put towards other capital improvement projects, and therefore would offset future issuance and interest costs by reducing the future bond requirements. Therefore, even though the City has already incurred the issuance costs, and a portion of the principal on the bond funds have already been paid for the previously appropriated Mariposa project bond funds (File 101-89-148), because future bond requirements would be reduced, it is more cost-effective to borrow through the State Revolving Loan Fund. The Budget Analyst concurs with this analysis.

4. Mr. Wong reports that construction of the Mariposa facilities is anticipated to be completed by May, 1992.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

APPENDIX A

FILE: STLONMAR CLEAN WATER PROGRAM 06-Jan-92

ANALYSIS: STATE LOAN AND REVENUE BOND

FOR MARIPOSA LOAN AUTHORIZATION: 10,000,000

	STATE LOAN @ 3.10%	REVENUE BOND @ 6.62%
INTEREST RATE	3.10%	6.62%
TERM:	20	20
CONSTRUCTION FUND	10,000,000.00	10,000,000.00
ISSUE COST: 2.5005%	0.00	261,793.10
TOTAL LOAN/BOND AMOUNT	10,000,000.00	10,261,793.10
REPAYMENT:		
YEAR 1	(678,386.84)	(940,219.72)
2	(678,386.84)	(940,219.72)
3	(678,386.84)	(940,219.72)
4	(678,386.84)	(940,219.72)
5	(678,386.84)	(940,219.72)
6	(678,386.84)	(940,219.72)
7	(678,386.84)	(940,219.72)
8	(678,386.84)	(940,219.72)
9	(678,386.84)	(940,219.72)
10	(678,386.84)	(940,219.72)
11	(678,386.84)	(940,219.72)
12	(678,386.84)	(940,219.72)
13	(678,386.84)	(940,219.72)
14	(678,386.84)	(940,219.72)
15	(678,386.84)	(940,219.72)
16	(678,386.84)	(940,219.72)
17	(678,386.84)	(940,219.72)
18	(678,386.84)	(940,219.72)
19	(678,386.84)	(940,219.72)
20	(678,386.84)	(940,219.72)
TOTAL	(13,567,736.85)	(18,804,394.33)
PRINCIPAL PAID	10,000,000.00	10,261,793.10
INTEREST PAID	3,567,736.85	8,542,601.23

APPENDIX B

The attached analysis compares the cost of borrowing from the California State Revolving Fund (SRF) loan program versus issuing revenue bonds.

For purposes of this analysis, we have assumed a 20 year term for both options. The amount generated for the construction fund is $10 million in both cases, but the actual amount borrowed would have to be different in each case to account for issuance costs incurred in selling bonds. In the case of the SRF loan, there are not any issuance costs. In the case of revenue bonds, we estimate issuance costs of $261,793 for professional services, underwriter discount, reserve fund insurance and bond insurance. These issuance costs are based on the 1991 sewer revenue bonds. The State currently expects to lend SRF funds at one half the interest rate of the most recent general obligation bond. We have estimated the loan interest rate to be 3.10%. In contrast, the interest rate for the sewer revenue bonds is 6.62% based on the 1991 revenue bond sale.

This analysis shows that the SRF loan at 3.10% interest is significantly more cost-effective than borrowing via the sewer revenue bonds. Specifically, with the SRF loan, the total debt service payment would amount to $3.57 million over the 20 year term of the loan, while the revenue bonds debt service would require $8.54 million. The total interest cost on the SRF loan would amount to $3.57 million compared to $8.54 million for the revenue bonds.

Item 6 - Files 97-92-9

Departments:	City Attorney
Items:	The proposed ordinance would amend Section 10.136-1 of the San Francisco Administrative Code to decrease the revolving fund of the Bureau of Claims of the Office of the City Attorney by $75,000 from $175,000 to $100,000.
Source of Funds:	Judgments and Claims, General Fund
Description:	On January 29, 1992, the Finance Committee approved three ordinances granting the Department of Parking and Traffic the same authority as the Police Department to hold tow hearings and grant reimbursements of tow charges to individuals and amending the Administrative Code to establish cash revolving funds for tow reimbursements for the Department of Parking and Traffic, at $26,250, and the Police Department, at $48,750, for a total of $75,000 (Files 97-91-48, 101-91-43, and 101-91-44). Formerly, those tow reimbursements had been paid from the City Attorney's Bureau of Claims Revolving Fund which has an authorized balance of $175,000. The proposed ordinance would reduce the City Attorney's Bureau of Claims revolving fund by $75,000 from $175,000 to $100,000. This $75,000 reduction represents the combined total amount of the increases to the Department of Parking and Traffic and Police Department's revolving funds. The City Attorney no longer needs to pay tow reimbursements out of the Bureau of Claims revolving fund, since that responsibility has been transferred to the Department of Parking and Traffic and the Police Department. The balance of $100,000 in the City Attorney's revolving fund for its Bureau of Claims would be used for all other judgments and claims processed by the City Attorney's Bureau of Claims.
Comment:	According to Mr. Ray King of the City Attorney's Office, the City Attorney is in agreement with the proposed ordinance, which results in a $75,000 decrease to the revolving fund of the City Attorney's Bureau of Claims.
Recommendation:	Approve the proposed ordinance.

Item 7 - File 65-92-4

Department: Real Estate Department
San Francisco General Hospital

Item: Ordinance authorizing and approving the lease of the Fifth and Sixth Floors of Building 3 at San Francisco General Hospital to the Regents of the University of California

Location: Building 3, San Francisco General Hospital

Lessee: University of California at San Francisco (UCSF)

Number of Sq.Ft.: The leased premises would consist of a total area of 27,503 square feet, including 21,775 square feet of finished space and 5,728 square feet of unimproved space which would be developed within the first five years of the lease

Revenue per Month: $0.85/sq.ft. for current 21,775 square feet of finished space = $18,508.75/month
Rent on 5,728 square feet of undeveloped space to be assessed upon completion of improvements

Term of Lease: The lease would commence on the date of execution and continue until June 30, 2010, approximately 18 years. In addition there will be one five-year renewal option which may be canceled by either party provided notice is given on or before June 30, 2005. If the option to renew is taken, the lease would continue until June 30, 2015.

Purpose of Lease: The University proposes to use the space for laboratory purposes for the continuous, active conduct of medical reseach of virology and immunology as it relates to discerning the molecular biology and biochemistry of the HIV virus, thereby expanding AIDS research activities in the State of California.

Comments: 1. According to Mr. Jerry Rankin of the San Francisco General Hospital, in fiscal year 1987-88, the City and UCSF co-applied for a State grant to construct a research facility and carry out research to find a cure for AIDS. Those grant funds were used to construct, in consultation with UCSF, the Fifth and Sixth Floors of Building 3 as an HIV laboratory.

2. This ordinance would authorize the long-term leasing of the space in Building 3 by the UCSF which is currently being leased on a three-month basis until February 15, 1992. This 3-month lease was approved by the Board of

Supervisors in November 1991. During the period after the current three-month lease expires and before the new lease, if approved, is executed, UCSF will continue to pay rent at the current rate of the three month lease, or $10,234.25 monthly rent plus $2,830.75 monthly utilities and services, for a total monthly cost of $13,065.

3. As noted above, the proposed total 27,503 square foot lease includes 5,728 square feet of unimproved space. According to Mr. Bob Haslam of the Real Estate Department, UCSF would pay the total cost of improving that space. According to Ms. Kathy Murphy of SFGH, the unimproved space consists of cement floors and bare walls, with no partitions dividing the space into usable rooms. Improvements would include complete construction of usable offices, conference rooms, and laboratories, such as installing partitions, heating, flooring, painting and other interior construction.

4. According to the Real Estate Department, under the proposed lease, UCSF would be authorized to assign the lease to the J. David Gladstone Institutes, a non-profit research institute. The J. David Gladstone Institutes would operate and maintain the laboratories. J. David Gladstone Institutes has budgeted $10 million to conduct AIDS research at this laboratory under UCSF's supervision.

5. The rent on this property would be adjusted annually, beginning July 1, 1992, based on the Cost of Living Index. The 5,728 square feet of undeveloped space would be rented at the same rate as the rest of the property at the time that space is ready for occupancy.

6. According to the proposed lease, the University would reimburse the City for its share of Building 3's utilities and services consisting of janitorial, power, security, gasses (nitrogen, oxygen), and waste disposal (scavenger, medical). Such charges would be fully assessed for the 21,775 square feet of improved space and for 50 percent of the 5,728 square feet of undeveloped space until the improvements have been completed and a Certificate of Completion has been filed or five years have passed from the date the lease is executed, whichever occurs first. At that time, full utility and services charges for the entire premises would be assessed. On a cost per square foot basis after occupancy, San Francisco General estimates that these utilities and services would be approximately $0.59 per square foot per month, for a total annual cost of $174,444 or $154,167 for the finished space ($0.59 per square foot per month times 21,775 square foot times 12 months) plus

$20,277 for the unfinished space ($0.295 per square foot per month times 5,728 square feet times 12 months).

7. The total revenue from the first year of this lease would be as follows:

Improved Space	
Rent ($0.85/mo. x 21,775 x 12 mos.)	$222,105
Utilities and Services ($0.59/mo. x 21,775 x 12 mos.)	154,167
Unimproved Space	
Rent (to be assessed after improvements are complete at the same rate as the improved space, adjusted for the Cost of Living Index)	0
Utilities and Services ($0.295/mo. x 5,728 x 12 mos.)	20,277
TOTAL ANNUAL RENTAL REVENUE	$396,549

The total monthly rental revenue during the first year of the lease would be $33,045.75.

8. According to the Real Estate Department, the proposed monthly rental and utility and services rate of $33,045.75 for 21,775 square feet of improved space at a total of $1.44 per square foot and a utility and services rate for the unimproved space of $0.295 per square foot represents the current fair market rental for the proposed space.

9. According to Mr. Rankin, since most San Francisco General Hospital facilities are old and lack the amenities of the Fifth and Sixth floors of Building 3, the base rent for most General Hospital facilities is $0.48 per square foot. However, since floors Five and Six have been improved, General Hospital requested that UCSF pay $0.85 per square foot, a fair market value for improved laboratory facilties. However, since UCSF and San Francisco General Hospital were co-applicants for the State grant that funded the improvements, UCSF felt that it should be allowed to occupy the facility without paying rent, Mr. Rankin reports. A compromise was reached, Mr. Rankin advises, which is included in the proposed lease, whereby the University may earn rent credits by providing specialist services which directly benefit San Francisco General Hospital. According to the proposed lease, a request must be submitted to the Hospital Administrator for approval before rent credits are incurred. The cost of these services cannot exceed $0.37 per square foot, or $8,056.75 per month, based on the improved

space only, according to the proposed lease, allowing UCSF to pay the $0.48 per square foot, the current standard rate for unimproved space.

If UCSF received maximum rental credits every month during the first year, the monthly rental and utility and services revenue payable by UCSF to the City would total $24,989 ($33,045.75 monthly rent less $8,056.75), and the annual revenue would total $299,868 ($24,989 times 12). Based on the $396,549 potential first year revenue, as reflected above, this would result in a $96,681 reduction of direct annual revenues to the City.

In the past, UCSF has provided a wide range of services to San Francisco General Hospital, including teaching, training, and consulting and use of equipment and facilities. Since the range of possible services is broad, the specific costs and services that the City would receive from UCSF could not be provided at this time. However, Mr. Rankin reports that UCSF would provide, each month, a check for some amount between the minimum $24,989 and the maximum $33,045.75, plus detailed invoices for any services or goods provided, or the difference between the amount of the check and the $33,045.75 maximum. These invoices would be reviewed by General Hospital, the Real Estate Department, and would be reviewed by the Controller.

Mr. Rankin anticipates that UCSF would be unwilling to modify the lease to pay cash instead of providing services. Mr. Rankin further anticipates that no other San Francsico entity would be willing or able to rent the laboratory. Based on the $369,549 potential first year revenue, if no other tenant could be found for the laboratory, this would result in a $369,549 reduction of direct annual revenues to the City. Since, in general, the City does not accept in-kind contributions in lieu of cash for rent, whether the proposed lease should be modified to require that all the rent be paid in cash is a policy matter for the Board of Supervisors.

10. According to the San Francisco General Hospital, either party may terminate the lease with written notice. The original proposed lease contained no specific minimum period for termination notice. However, in response to queries from the Budget Analyst, SFGH has requested, and UCSF has indicated that it will agree, to amend the proposed lease to include a minimum of six months written notice. As of the writing of this report, such an amendment was not yet signed. However, Ms. Murphy anticipates that

the amendment will be completed by the February 19, 1992, Finance Committee meeting. A representative from SFGH will attend the February 19, 1992, Finance Committee meeting to confirm that the amendment, including a minimum six-month termination notice, is in place, Ms. Murphy advises. If no representative from SFGH attends the meeting, or if the amendment is not in place, the proposed item should be continued until SFGH confirms that a minimum six-month termination notice has been included in the proposed lease.

Mr. Haslam reports that the length of the termination notice could be longer than six months, based on the nature of the current experiments in the lab. However, Mr. Haslam advises that neither party expects to terminate the lease. If the City terminates, it must reimburse the University for the unamortized portion of the cost of the permanent improvements. If the University would terminate, it would surrender the property as improved.

Recommendation: Whether the proposed lease should be modified to require that all the rent be paid in cash, instead of a portion in in-kind contributions, is a policy matter for the Board of Supervisors.

If SFGH cannot confirm that an amendment has been made to the proposed lease, which incorporates a provision pertaining to a minimum six-month termination notice, continue the proposed ordinance until such a confirmation is received.

Item 8 - File 170-92-2

Department: Chief Administrative Officer (CAO)

Item: Ordinance providing for the approval and execution and delivery by Officers of the City and County of San Francisco of an Equipment Lease Supplement No. 1 between the City and County of San Francisco Finance Corporation, a non-profit corporation, as Lessor and the City and County of San Francisco as Lessee with respect to equipment to be used for City purposes; and approving the issuance of Lease Revenue Bonds by said nonprofit corporation; and providing that said bonds shall be subject to the certification of the Controller of the City and County of San Francisco prior to the sale of said bonds; and providing for the execution of documents in connection therewith and ratifying previous actions taken in connection therewith.

Amount: Not to exceed $10 million

Description: In June of 1990, San Francisco voters approved Proposition C, a Charter Amendment authorizing the establishment of a nonprofit corporation to lease/finance equipment purchases for the City. Pursuant to Proposition C, the Board of Supervisors may approve the lease financing of equipment through the City and County of San Francisco Finance Corporation, a non-profit corporation, in an amount not to exceed a principal of $20 million at any given time, with the limit of $20 million increasing, annually, by five percent.

In FY 1990-91, the Board of Supervisors authorized the issuance of $7,304,707 in Lease Revenue Bonds to finance the purchase of equipment through the City and County of San Francisco Finance Corporation. This proposed ordinance would authorize the CAO to issue a maximum of $10,000,000 in Lease Revenue Bonds for FY 1991-92. The CAO has determined that the following equipment purchases, which were previously approved in the FY 1991-92 budget, could be financed through the City and County of San Francisco Finance Corporation:

Department	Equipment Description	Cost
Electricity	Generator	$180,000
Police	65 marked and unmarked vehicles	989,440
Parking and Traffic	64 parking enforcement vehicles	705,146
Fire	6 Fire trucks	1,562,402
Laguna Honda	Hospital Laundry equipment	1,831,000
Total		$5,267,988

Comments:

1. Although the proposed ordinance authorizes a maximum of $10 million in Lease Revenue Bonds that can be issued, the proposed amount to be issued, as detailed above, is only $5,267,988. According to the CAO's Office, the larger amount is intended to cover any feasible equipment lease purchases not yet identified by the CAO's Office. However, the ordinance also provides that the Controller must certify that the net interest cost to the City of lease financing any equipment through the City and County of San Francisco Finance Corporation will be lower than other alternative financing arrangements involving a lease or leases. Proposed equipment purchases not certified by the Controller could not be lease financed through the City and County of San Francisco Finance Corporation and would, therefore, affect the size of the actual bond issuance.

2. According to Mr. Fred Weiner of the CAO's Office, at current market conditions, the City could expect to receive an interest rate of approximately 6.5 percent on the proposed Lease Revenue Bonds. In contrast, conventional financing sources charge an interest rate of at least 7.5 percent for lease financed equipment. Based on these interest rates, the Budget Analyst estimates that the lease financing of the above equipment could yield a present value of savings of slightly more than $1 million.

3. Although the proposed ordinance provides for ratifying of actions previously taken, Mr. Robert Kenealey of the City Attorney's Office advises that the City has not taken any action requiring retroactive approval by the Board of Supervisors. Mr. Kenealey states that such language is generally included in legislation to insure that all actions have been noted and approved by the Board of Supervisors.

4. It should be noted that, in the long run, the City still pays more by lease-purchasing equipment through the City and County of San Francisco Finance Corporation than if the City simply purchased the equipment. The City must also pay for bond interest costs and the transactions cost of issuing the bonds, in addition to the cost of the equipment. However if, because of budgetary constraints, it is more difficult for the City to advance the full cash purchase price for such equipment, the use of the City and County of San Francisco Finance Corporation allows the City to make smaller annual payments over a period of years. Additionally, such interest costs that would be paid on a regular lease purchase acquisition for the equipment would cost more than the interest costs under the lease/financing arrangements using the City and County of San Francisco Finance Corporation.

Recommendation: Approve the proposed ordinance.

Item 9 - File 97-92-6

Department: Police Department

Item: Ordinance amending the Administrative Code by adding Section 10.117-110 thereto, establishing a special fund by the receipt and expenditure of funds and property received in restitution and forfeitures in various criminal profiteering activity cases.

Description: The proposed ordinance would establish a Criminal Profiteering Activity Restitution/Forfeiture Special Fund for the purpose of receiving money or tangible property which reflect court orders for restitution and forfeitures to the City in various criminal profiteering activities which include organized bookmaking, gambling, pimping, pandering and prostitution cases. The proposed ordinance would provide that the appropriation to and expenditure of monies from the Fund would not exceed $70,000 in any one fiscal year. Under the proposed ordinance, the funds would be used to purchase equipment, supplies, contractual services, rental of undercover vehicles, undercover operations, expendable informant gambling and wagering funds, and outside training of members involved in these investigations for Police Department activities relating to various profiteering crimes. Any court-ordered fines which are received by the City in excess of $70,000 would be used for Police Department overtime related to criminal profiteering activity investigations.

The proposed ordinance provides that the balance which is remaining in the Special Fund at the close of any fiscal year shall be carried forward and accumulated for criminal profiteering activity investigations in future fiscal years. The proposed ordinance also provides that the Special Fund would be a non-interest bearing account. Funds may only be expended from the Special Fund with prior written approval by the Chief of Police. Quarterly reports reflecting the revenues and expenditures from this Special Fund shall be submitted to the Mayor and the Board of Supervisors. However, the Police Department would not be required to request prior authorization and to obtain appropriation approval from the Board of Supervisors to expend any of the monies accumulated in the proposed Special Fund.

Comments: 1. According to Captain Tony Ribera of the Police Department, currently all of the court-ordered restitution fines for the Police Department are used for overtime related to criminal profiteering activity investigations. Under the current provision, if the amount of restitution fines exceeds the overtime expense for the criminal profiteering activity investigations, the additional revenues are returned to the General Fund. Capt. Ribera states that the courts require the Police Department to use the fines in areas related to criminal profiteering investigations, but since there is currently no Special Fund to accept the fines, the Police Department is limited to only apply these fines received to overtime hours. Capt. Ribera further states that the proposed ordinance would enable the Police Department more flexibility in using court-ordered fines for investigative procedures rather than only using the court-ordered fines for overtime hours. Officer Tom Strong of the Police Department reports that for FY 1990-91, the Police Department received a total of $83,400 in court-ordered fines from criminal profiteering cases, which the Police Department applied to overtime hours, and in FY 1991-92, as of December 31, 1991, the Department received approximately $36,300.

2. Lieutenant Art Gerrans of the Police Department's Vice Crime Detail estimates that because the amount of court-order fines from criminal profiteering cases which the City has received has been increasing in recent years, the City would likely receive between $150,000 to $200,000 annually in upcoming fiscal years. In addition, Lt. Gerrans estimates that because of the Police Department's assistance in a Federal case, the Police Department will receive approximately $380,000 during FY 1991-92. Under the proposed ordinance, any fines which are received in excess of up to $70,000 appropriated to the proposed Special Fund would be used for Police Department overtime activities related to criminal profiteering cases. If the court-ordered fines received exceed the amount of overtime incurred for criminal profiteering activities, after up to $70,000 is appropriated to the proposed Special Fund, the excess monies would be returned to the General Fund.

3. As noted, all court-ordered fines are currently used for Police Department overtime. Under the proposed ordinance, the Police Department would be authorized to appropriate and expend up to $70,000 of these court-ordered fines from the proposed Special Fund for other activities, rather than using up to $70,000 for Police Department overtime as is currently done. As a result, additional General Fund monies of up to $70,000 annually would have to be used for Police Department overtime.

4. Lt. Gerrans reports that the Police Department's FY 1991-92 budget includes approximately $450 monthly or $5,400 annually for investigative expenses incurred by the Vice Crime Detail. Lt. Gerrans further reports that the Vice

Crime Detail has two undercover vehicles which are now easily recognizable. Therefore, Lt. Gerrans indicates that the proposed Special Fund would enable the Police Department to increase the Department's effectiveness in undercover work, and may actually increase the amount of court-ordered fines received by the City, assuming there are more convictions made and fines ordered.

5. However, according to the Controller's Schedule of Budgeted and Projected Expenditures as of December 31, 1991, the projected net deficit for Police Department salary expenditures, including overtime is approximately $2.67 million in FY 1991-92. As noted, the proposed ordinance would decrease the amount of court-ordered fine revenues available for Police Department overtime, thereby increasing the amount of overtime funded through the General Fund. The latest revised net estimated City budget deficit for 1991-92 is $6.155 million (assuming the allocation of the entire estimated net SB 855 revenues toward the deficit). Therefore, the Budget Analyst recommends the proposed ordinance be disapproved since additional General Fund monies of up to $70,000 annually would have to be used for Police Department overtime.

Recommendation: Do not approve the proposed ordinance.

Item 10 - File 31-92-1

Department: Assessor's Office

Item: Resolution authorizing the immediate filling of a vacant position.

Position: 4269 Chief Appraiser

Retirement Date: January 31, 1992

Normal Refill Date: June 8, 1992

Funding Needed: $22,118.05

Proposed Funding Source: Excess Salary Savings

Description: Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by ordinance or resolution of the Board of Supervisors.

Comments: 1. The Chief Appraiser retired on January 31, 1992, and was paid for 692 hours of accumulated sick leave (hourly rate of $31.96), which prevents the refilling of this position until June 8, 1992, unless the proposed resolution is approved.

2. The Assessor's Office reports that the Chief Appraiser in the Assessor's Office is one that is responsible for the direction, organization, supervision and implementation of the entire Real Estate Assessment program. In addition, the Chief Appraiser is responsible for complex technical advice regarding property assessments. According to Mr. Stephen Dunbar, Chief Assistant Assessor, he has been handling any emergency work, such as appeal cases on major downtown property assessments. However, Mr. Dunbar states that the Department needs the immediate filling of the Chief Appraiser position in order to provide technical decisions, and to provide overall leadership, policy and direction for the entire Real Estate Division, one of four divisions in the Assessor's Office. Mr. Dunbar indicates that the Department could not accomplish these tasks without filling the Chief Appraiser position.

3. In November 1991, San Francisco voters approved a proposition that offers City employees incentives to retire early (Proposition A). A provision of Proposition A provides that no later than April 1, 1992, the Retirement Board shall transmit a list to the Mayor's Office of all positions vacated, and the Mayor shall convene a Review Committee, consisting of the Mayor, Controller, and the General Manager, Personnel, or their designees and two labor representatives appointed by the San Francisco Labor Council. The Review Committee will determine which positions must be filled ("mandated positions") according to criteria which includes positions which are vital to public safety or the delivery of health and transit services, positions that produce revenues or reimbursements to the City or positions funded through enterprise funds or grant funds. The Mayor is then authorized to abolish in the FY 1991-92 budget at least 500 or 50 percent of the vacated non-mandated positions, whichever is greater. The Board of Supervisors, by a two-thirds vote, may restore in the FY 1991-92 budget or place in the FY 1992-93 budget any of the positions determined to be non-mandated by the Review Committee. Therefore, in accordance with the requirements of Proposition A, the Budget Analyst recommends continuing the proposed resolution pending the decision of the Proposition A Review Committee as to whether the 4269 Chief Appraiser position is considered a "mandated position".

Recommendation: Continue the proposed resolution to the Call of the Chair pending the decision of the Proposition A Review Committee as to whether the 4269 Chief Appraiser position is considered a "mandated position".

Items 11 and 12 - Files 100-91-1.17 and 100-91-1.18

Note: These items were continued by the Finance Committee at its meeting of February 12, 1992.

Department: Department of Public Works (DPW)

Items: Release of reserved funds to purchase computer hardware and software equipment for the DPW, Environment Regulation and Management Division in the amounts of $28,200 (File 100-91-1.17) and $3,800 (File 100-91-1.18)

Amounts: $28,200 and $3,800, for a total of $32,000

Source of Funds: Sewer Service Charges

Description: During the FY 1991-92 budget process, the Finance Committee recommended that a total of $32,000 ($28,200 plus $3,800), included in the DPW's budget request to fund computer hardware and software equipment, be placed on reserve pending Electronic Information Processing Steering Committee (EIPSC) approval. The DPW reports that the proposed computer equipment would permit DPW, Environment Regulation and Management Division to (1) access DPW's main computer, as well as the Citywide management information system, (2) increase inspection report quality and automate data for the Residential Appeals Users Board hearings and (3) improve responsiveness to customer telephone inquiries.

EIPSC has reviewed and approved the following computer equipment:

Personal Computers (6 @ $3,600 each)	$21,600
Personal Computer (1)	3,500
Printer	2,100
Word Perfect Software (6 @ $766 each)	4,600
Lotus 1-2-3	500
	$32,300

Comment: As noted above, the EIPSC has approved computer equipment totalling $32,300, which is $300 more than the $32,000 placed on reserve. Mr. Gerald Costanzo of the DPW reports that the additional $300 required for the computer equipment will be paid for from surplus monies within the Department's existing 1991-92 budget.

Recommendation: Approve the proposed release of reserved funds in the total amount of $32,000 ($28,200 plus $3,800).

Item 13 - File 101-91-1.20

Department:	Public Utilities Commission (PUC) - Hetch Hetchy
Item:	Request for release of reserved funds for economic and hydrological consulting services in support of ongoing litigation related to the City's water rights.
Amount:	$214,800
Source of Funds:	Hetch Hetchy 1991-92 budget - Other Contractual Services

Description:

The Water Rights Program of the Hetch Hetchy Project is engaged in a number of activities designed to protect San Francisco's water rights and water supply. Because the State Water Resources Control Board continues to review San Francisco's water rights and may propose a reallocation of water resources within the San Francisco Bay/San Joaquin Delta region, Hetch Hetchy's Water Rights Program has expanded significantly in 1991-92.

Hetch Hetchy's 1991-92 budget included $1,134,850 for contractual services related to the Water Rights Program. These funds are used for legal, professional and technical services, including economic, hydrological, and engineering consultants, which enable Hetch Hetchy to participate in State water allocation hearings and to address regulatory and legal issues concerning the water supply.

During the 1991-92 budget hearings, $214,850 (rather than $214,800, as stated in the PUC request for release of these funds) was reserved in the Hetch Hetchy budget for Other Contractual Services, pending the determination of actual contract amounts, hourly rates, and MBE/WBE status of the contractors.

The PUC reports that release of reserve funds is requested to fund additional services which would be performed by the following contractors:

Contractor	MBE/WBE Status	Hourly Rates	Estimated Hours	Additional Amount of Contract
Bookman-Edmonstron, Inc. Hydrological Modeling Consultants	None	$60 - 125	900	$100,000
Manna Consultants Engineering, Hydrological Modeling, Litigation Research	MBE	48-101	270	20,000
McLeod & Associates Economic Consultants	MBE	90-150	830	100,000
Total Additional Contractual Services			2,000	$220,000

Comments:

1. The amount placed on reserve in Hetch Hetchy's Other Contractual Services budget was $214,850, rather than $214,800, as stated in the PUC's request for release of the reserved funds. Mr. Lawrence Klein, Hetch Hetchy Deputy General Manager, reports that the PUC request is in error and that the PUC wishes to request the release of $214,850 which was placed on reserve.

2. Mr. Klein reports that services obtained through the proposed contracts will consist of confidential economic consulting services for litigation involving the Federal Energy Regulatory Commission and the State Department of Water Resources, and similar services relating to the ongoing San Francisco Bay/San Joaquin Delta hearings of the State Water Resources Control Board concerning possible re-allocations of water rights. Mr. Klein indicates that the nature of these services should be discussed with the Finance Committee in executive session.

The additional services will be requested on an "as needed" basis as the litigation and water allocation hearings may require, according to Mr. Klein. For this reason, the actual number of hours of service to be provided under each contract is not stipulated in the proposed contracts, but the amounts billed to the City cannot exceed the total amounts authorized by the proposed contracts.

3. Mr. Klein indicates that the proposed contracts have not yet been approved by the PUC, but are scheduled to be acted on by the PUC on February 25, 1992.

4. The total amount of the proposed contracts ($220,000) exceeds the amount of funds on reserve ($214,850) by $5,150. Mr. Klein reports that if the reserved funds are released, the amount which will then be available in the Hetch Hetchy budget for Other Contractual Services will be sufficient to pay the cost of the proposed contracts.

Mr. Klein indicates, however, that budgeted funds for Other Contractual Services are not sufficient to pay the costs of certain other additional contractual services which will be needed for the Water Rights Program in the current year, and that Hetch Hetchy has therefore prepared and submitted to the Mayor a request for a supplemental appropriation for Other Contractual Services. Mr. Klein recommends that the request for release of reserve funds and the request for a supplemental appropriation be considered simultaneously by the Finance Committee in executive session, so that the Committee can be apprised fully of Hetch Hetchy's need for consultants' services in its Water Rights Program.

Mr. Klein reports that the request for a supplemental appropriation is expected to be submitted to the Clerk of the Board by February 19, 1992. The earliest date on which it could be heard by the Finance Committee would then be March 4, 1992. Mr. Klein therefore requests that the present request for release of reserve funds be continued at least until March 4, 1992 so that it can be considered together with the request for a supplemental appropriation.

Recommendation: Continue the request for release of reserve funds, as requested by Hetch Hetchy Water and Power, to the call of the Chair, pending receipt and calendaring of Hetch Hetchy's companion request for a supplemental appropriation for Other Contractual Services.

Item 14 - File 101-91-7.2

Department: Fire Department

Item: Request for release of reserved funds to complete an Auxiliary Water Supply System (AWSS) High Pressure Extension in the Hunter's Point area.

Amount: $1,103,300

Source of Funds: 1986 Fire Protection Bond (Proposition A) Funds - Series 1991B

Description: In November 1986, San Francisco voters approved the issuance of $46.2 million in Fire Protection System Improvement Bonds (Proposition A). The Fire Department has used the $46,200,000 bond sale proceeds to extend and improve the City's Auxiliary Water Supply System (AWSS). The AWSS is a system of reservoirs, pipelines, and pump stations which will provide a source of water for fire protection in the event that the main water supply system fails, as it did following the 1906 earthquake. The bond-funded improvement project is a means to extend the AWSS to previously unprotected areas of the City.

In 1987 the City sold $31 million of the $46.2 million in bonds which were approved as Series 1987A bonds, to begin the first phase of the AWSS project. In January 1991 the City sold the remainder of the $46.2 million approved bond issue by issuing $15.2 million in Series 1991B bonds, in order to complete the project.

In April 1991, the Board of Supervisors appropriated the $15.2 million proceeds from the sale of the Series 1991B fire protection bonds to the Fire Department, but reserved $13,506,943 which was budgeted for a variety of construction projects. Of the $13,506,943 placed on reserve, $7,902,943 was budgeted for contractual services for construction of high pressure system extensions in three areas of the City, including the Ingalls Avenue Loop, comprising Gilman, Ingalls, and Revere Streets in the Hunter's Point district. The funds for contractual services were placed on reserve pending specific information concerning the amount of the construction contracts and the MBE/WBE status of the selected contractors.

Comments: 1. Mr. Bob Jew, Project Manager for the Fire Protection Bond Program at the Department of Public Works (DPW), reports that on February 13, 1992 the Human Rights Commission identified the low bidder for the AWSS Ingalls Street high pressure extension project as the joint venture enterprise of D'Arcy & Harty Construction Co. and San Luis Construction Co. These firms, as a joint venture, submitted a bid of $826,533. The engineer's estimate for the project was $1,003,000, according to DPW. San Luis Construction Co. is a certified Minority and Local Business Enterprise; this firm will perform the excavation, backfill, concrete, and related earthwork components of the AWSS high pressure extension project. D'Arcy & Harty Construction does not hold a MBE/WBE/LBE certification; this firm will perform the pipeline and pump station installation components of the high pressure extension project, according to Mr. Jew.

2. Mr. Jew reports that the request for release of reserved funds should be revised to reflect the following estimated project budget, based on the proposal submitted by the contractors:

Contractual services	$826,533
Contingency (10 percent)	82,653
Total Project Budget	$909,186

In view of this revision to the expected cost of the project, Mr. Jew reports that a release of reserve funds is being requested in the amount of $909,186.

3. Of the $13,506,943 of Series 1991B bond proceeds placed on reserve in April 1991, the Board of Supervisors previously authorized the release of $267,772 in October, 1991 (File No. 101-90-84.1), and $142,082 in December 1991 (File No. 101-90-84.2). The amount presently on reserve is therefore $13,097,089. If an additional release of reserve funds of $909,186 is authorized, the balance on reserve will become $12,187,903.

Recommendation: Reduce the requested release of $1,103,300 in reserve funds by $194,114 and approve the release of reserve funds in the amount of $909,186.

Item 15 - File 146-91-35.2

Department: Department of Public Health (DPH)
Community Public Health Services (CPHS)

Item: Request for release of reserved funds for contractual services.

Amount: $67,000

Source of Funds: California Department of Health Services, Office of Family Planning

Description: The Board of Supervisors previously authorized the DPH to accept and expend State grant funds (File 146-91-35) for family planning services and reserved $67,000 for contractual services pending identification of contractors and finalized cost details. The proposed reserved funds would be used to provide cytology services, which is the diagnosis of cervical cells for cancer, and for pharmacy services. The cytology services contract would be used for the laboratory analysis of pap-smears, and the pharmacy services contract would include repackaging and relabeling of contraceptives which are bought in bulk.

The family planning services grant (File 146-91-35), which was previously approved by the Board of Supervisors, provides family planning and pregnancy testing services to San Francisco's low-income, ethnically diverse women between the ages of 15 and 44. The grant period extends from July 1, 1991 through June 30, 1992.

Comments: 1. Mr. Steve Purser of the DPH reports that the cytology services would be performed by DSA Medical Services, Inc., and the pharmacy services would be provided by Pharmedix. Mr. Purser reports that these firms were selected through a Request for Proposal (RFP) process which was completed in approximately November, 1991. Neither of these firms are City-certified as local MBE or WBE firms.

2. Mr. Purser indicates that DSA Medical Services, Inc. and Pharmedix performed the contractual services under the previous grant period which covered July 1, 1990 through June 30, 1991, and these firms had 4 year-contracts which did not expire until approximately December 31, 1994. However, Mr. Purser reports that additional Human Rights Commission requirements specify that contracts which are awarded to non-local MBE or WBE firms have to be put out to bid every year. Therefore, these contracts had to be put out to bid in July, 1991, before the contract terms expired. Further, Mr. Purser states that in order to prevent a gap in services,

these contractors continued to provide services. Therefore, the proposed release of reserved funds would provide payment for services retroactively beginning on July 1, 1991. The proposed release of reserved funds would continue to provide payments through June 30, 1992.

3. As noted, the contractors continued to provide services since July, 1991. To date, these contractors have not been paid.

4. Mr. Purser reports that the $67,000 in reserved funds would be used as follows:

DSA Medical Services, Inc. Analysis of 7,230 pap-smears at approximately $6.50 each	$47,000
Pharmedix Repackaging and relabeling of 6,666 contraceptives at approximately $3.00 each	20,000
Total Reserved Funds	$67,000

Recommendation: Approval to release the reserved funds on a retroactive basis to provide payments for contractual services is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Kent Sims
Adelle Foley
Ted Lakey

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CALENDAR

MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 26, 1992 – 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN
ABSENT: SUPERVISOR GONZALEZ – ITEMS 12-14

CLERK: BARBARA STAVRO-TAYLOR

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NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

a. File 38-92-6. [Acceptance of Gift] Resolution accepting a gift to San Francisco Public Library of $6,000 from the Theodore R. Johnson Foundation for the purchase of books and materials for the Project Read Collection. (Public Library)

b. File 62-91-4.1. [Award of Cafeteria Lease] Resolution confirming award of a five-year lease to Raphael Chan-Sew and Thoi Nguyen, partners to operate the Hall of Justice Cafeteria. (Real Estate Dept.)

c. File 146-92-9. [Grant – Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, Epidemiology and Disease Control, to apply for, accept and expend a grant of $602,568, which includes indirect costs in the amount of $45,333 based on twenty percent of salaries from the Centers for Disease Control, for the operation of the San Francisco Sexually Disease Prevention and Training Center; providing for ratification of action previously taken. (Dept. of Public Health)

d. File 146-92-12. [Grant – Private Funds] Resolution authorizing the Department of Public Health, AIDS Office, to apply for a grant of $70,000 which includes indirect costs in the amount of $7,000 based on ten percent of the total award, from the American Foundation for AIDS Research to fund the Harm Reduction Strategies Among Needle Exchange Patrons Program. (Dept. of Public Health)

ACTION: RECOMMENDED.

REGULAR CALENDAR

2. File 100-91-9. Hearing to consider a mid-year budget review consisting of an assessment of the impact of the current economic recession on the fiscal integrity of City operations and the 1991-92 budget. (Supervisor Gonzalez)
   (Cont'd from 2/19/92)

   ACTION: HEARING HELD. FILED.

3. File 195-92-2. Hearing to consider the issue of renting jail beds for the San Francisco Sheriff's Department from Alameda County and the financial implications of this matter. (Supervisor Gonzalez)

   ACTION: HEARING HELD. FILED.

4. File 101-91-49. [Annual Appropriation Ordinance] Ordinance amending Annual Appropriation Ordinance 1991-92 (Ordinance 261-91) by deleting portion of Section 10-1 relating to replacement of employees; adding Section 10.4 relating to early retiree positions. (Controller)

   ACTION: TO BOARD "WITHOUT RECOMMENDATION".

5. File 97-92-1. [Grant Recipient Obligations] Ordinance amending Chapter 10 of the San Francisco Administrative Code by adding Section 10.170-6 thereto to require that in order to receive a grant from the City and County of San Francisco the recipient must not owe any taxes, fees or fines to the City and County. (Supervisor Gonzalez)
   (Rereferred from Board 2/3/92)

   ACTION: CONTINUED TO CALL OF THE CHAIR (at author's request).

6. File 97-92-6. [Criminal Profiteering Activity Special Fund] Ordinance amending Administrative Code by adding Section 10.117-110 thereto, establishing a special fund by the receipt and expenditure of funds and property received in restitution and forfeitures in various criminal profiteering activity cases. (Police Commission)
   (Cont'd from 2/19/92)

   ACTION: CONTINUED TO MARCH 4, 1992.

7. File 192-92-1. Hearing to review the financial aspects of the month-to-month lease between Rapid Shine Auto Detail and the Parking and Traffic Commission. (Supervisor Ward)

   ACTION: HEARING HELD. CONTINUED TO MARCH 4, 1992.

8. File 47-92-1. [Automobile Detailing Lease Documents] Ordinance approving and adopting Golden Gateway Garage Automobile Detailing legal documents and authorization to lease. (Real Estate Dept.)

   ACTION: HEARING HELD. CONTINUED TO MARCH 4, 1992.

9. File 65-92-2. [Lease of Property] Ordinance authorizing and approving sublease of City-owned property at 25 Van Ness Avenue, portion of Lower Level (Lot 4, Block 834) to the New Conservatory Children's Theatre Company and School, a non-profit corporation. (Real Estate Dept.)

ACTION: AMENDED. RECOMMENDED AS AMENDED. (Add to title "commencing retroactively on November 1, 1991".)

10. File 65-92-1. [Lease of Psychiatric Research Space] Ordinance authorizing and approving lease of a portion of the First Floor of Building 20 at San Francisco General Hospital to the Regents of the University of California. (Real Estate Dept.)

ACTION: RECOMMENDED.

11. File 65-92-3. [Lease Amendment Agreement] Ordinance amending the lease of portions of the Basement and First Floor of Building 20 at San Francisco General Hospital with the Regents of the University of California. (Real Estate Dept.)

ACTION: AMENDMENT OF THE WHOLE PRESENTED IN COMMITTEE BY REAL ESTATE DEPARTMENT ADOPTED. "Amending the lease of portions of the Basement of Building 1 and the First Floor of Building 20 at San Francisco General Hospital with the Regents of the University of California." RECOMMENDED AS AMENDED.

12. File 172-92-3. [Contract] Resolution authorizing the Department of Social Services to enter into contract between the City and County of San Francisco and San Francisco Child Abuse Council, Inc., in the amount of fifty thousand dollars ($50,000) from the County's Children's Trust Fund for the provision of child abuse and neglect prevention services via public awareness and education to professional and community organizations for the period of March 1, 1992 through February 28, 1993. (Department of Social Services)

ACTION: AMENDED. RECOMMENDED AS AMENDED. (Add to title "retroactively" after Child Abuse Council, Inc.)

13. File 172-92-4. [Contract] Resolution authorizing the Department of Social Services to enter into contract between the City and County of San Francisco and Family Service Agency of San Francisco in the amount of one-hundred thousand dollars ($100,000) from the County's Children's Trust Fund for the provision of in-home and out-of-home parenting training and education to families with children at risk of child abuse and neglect for the period of March 1, 1992 through February 28, 1993. (Department of Social Services)

ACTION: AMENDED. RECOMMENDED AS AMENDED. (Add to title "retroactively" after Family Service Agency of San Francisco)

14. File 51-91-3. Transmitting claims of employees, various departments for reimbursement for personal property damaged and/or stolen in the line of duty. RO #91120

ACTION: RESOLUTION PREPARED IN/REPORTED OUT OF CMTE. "[Reimbursement to Employees] Authorizing reimbursement for cost of personal property of City and County employees damaged/stolen in the line of duty". AMENDED. RECOMMENDED AS AMENDED. (Total amount $7,325.13)

Public Library, Documents Dept
ATTN: Gerry Rot

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 24, 1992

TO: Finance Committee

FROM: Budget Analyst - Recommendations

SUBJECT: February 26, 1992 Finance Committee Meeting

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Item 1a - File 38-92-6

Department: Public Library

Item: Resolution accepting a cash gift to the San Francisco Public Library from the Theodore R. Johnson Foundation for the purchase of books and materials for the Project Read collection.

Amount: $6,000

Description: Project Read is the adult literacy program of the San Francisco Public Library. It offers English-speaking adults who lack basic reading and writing skills free confidential tutoring by trained volunteers. The proposed cash gift of $6,000 would be used to update the existing collection of books and materials for tutors and students participating in the Project Read program.

Comment: Ms. Ana Linder of the Public Library reports that the Public Library is currently researching books and materials for purchase with the $6,000 in cash funds for the Project Read program, but the specific materials which would be purchased have not yet been determined. Ms. Linder also reports that no additional costs would be incurred by the Public Library in connection with acceptance of the gift.

Recommendation: Approve the proposed resolution.

Item 1b - File 62-91-4.1

Department: Real Estate Department

Item: Resolution confirming an award of a five-year lease to operate the Hall of Justice cafeteria.

Description: The Board of Supervisors previously approved legislation (File 62-91-4) which authorized the Director of Property to call for bids for a five-year lease of the cafeteria facility at the Hall of Justice located at 850 Bryant Street. Accordingly, the Director of Property issued an Invitation for Bids to be received and opened by the Real Estate Department on January 2, 1992. In response to the Invitation for Bids, the Department received bid proposals from three parties. The Real Estate Department reports that Raphael Chan-Sew and Thoi Nguyen, Partners was selected as the highest bidder based on the company's bid to pay the City a minimum of $3,301 per month, subject to Consumer Price Index increases. All bidders were required to submit a minimum monthly bid and to pay that minimum or eight percent of the gross revenues, whichever is greater. The minimum monthly bids submitted by the other two qualified bidders were as follows:

Bidders	Minimum Monthly Rent Payments to the City
Kyung Ha Lee	$3,130
The Bench Hofbrau & Deli	$3,000

Comments: 1. The Real Estate Department reports that the proposed lease requires Raphael Chan-Sew and Thoi Nguyen, Partners to make a one-time investment of $15,000 in leasehold improvements, to increase the effectiveness and attractiveness of the cafeteria. The detailed budget for these improvements was not available as of the writing of this report.

2. The Real Estate reports that the cafeteria at the Hall of Justice has been closed since December 31, 1991. The prior lessee of the cafeteria, Mr. Anson Lee, paid the City a minimum of $5,586 per month or eight percent of gross revenues, whichever is higher. Annual revenues to the City from Mr. Lee totaled $67,032 in Fiscal Year 1990-91, representing the annual minimum required rentals. As noted above, the previous $5,586 minimum monthly rental exceeds the proposed $3,301 minimum monthly rental for the cafeteria. Mr. Claudine Venegas of the Real Estate Department advises that the reason that the proposed

minimum monthly rental rate is lower is because the prior lessee's profit margin from the lease of the cafeteria had been minimal from the time the lease commenced and had grown smaller each year as a result of the increase in the rental payments adjusted for cost of living increases. As such, the prior lessee had difficulty meeting the minimum monthly rental payments and additionally did not have sufficient capital to finance needed improvements to the cafeteria. The prior lessee, Mr. Anson Lee, did not submit a bid for this new proposed lease. Ms. Venegas reports that the proposed minimum monthly rental of $3,301 reflects the current fair market monthly rental value. It should be noted that the proposed minimum monthly rental of $3,301 is $2,285 or approximately 41 percent less than the prior $5,586 minimum monthly rent payment to the City. On an annual basis, the proposed minimum annual rental of $39,612 ($3,301/mo. x 12 mos.) is $27,420 or 41 percent less than the prior $67,032 minimum annual rental payments to the City.

Recommendations: 1. Approve the proposed resolution.

2. Since the Department was unable, at this time, to provide budget details on the cafeteria leasehold improvements, as previously noted, the Budget Analyst recommends that the Department submit a detailed expenditure report to the Board of Supervisors on the $15,000 designated for the leasehold improvements, when this information is made available by the lessee.

Item 1c - File 146-92-9

Departments: Department of Public Health Community Public Health Services, Bureau of Epidemiology and Disease Control

Item: Resolution authorizing the Department of Public Health to apply for, accept, and expend a grant of $602,568, including indirect costs of $45,333 based on 20 percent of salaries, from the Centers for Disease Control to operate the San Francisco Sexually Transmitted Disease Prevention and Training Center; providing for ratification of actions previously taken.

Grant Amount: $602,568

Grant Period: April 1, 1992 to March 31, 1993

Source of Funds: U.S. Centers for Disease Control

Project: Sexually Transmitted Disease Prevention and Training Center

Description: The proposed grant would be a fourth-year continuation grant from the U.S. Centers for Disease Control (CDC) to the Department of Public Health (DPH) to operate the San Francisco Sexually Transmitted Disease (STD) Prevention and Training Center, located at 1370 Mission Street. The Training Center is part of a national network of eleven such facilities which train medical doctors and other health care providers in diagnosis and treatment of sexually transmitted diseases (STDs) and AIDS. The San Francisco Training Center serves health professionals throughout Region IX, which includes Arizona, California, Hawaii, Nevada, and six Pacific Islands.

The CDC requires the Training Center to provide at least 500 course hours of training in each funding cycle, to include 300 course hours in STDs and 200 in HIV and AIDS. DPH reports that the San Francisco STD Training Center exceeds this minimum requirement to provide 500 course hours, and trains more than 400 individuals in each grant year.

Budget:

		FTE	Amount	
Personnel				
2825	Sr. Health Educator	1.0	$59,679	
1446	Secretary II	1.0	37,532	
2462	Sr. Microbiologist	1.0	56,538	
2328	Nurse Practitioner	.50	30,240	
2591	Health Program Coordinator	.60	29,471	
1424	Clerk Typist	.50	12,207	
	Overtime Allowance		1,000	
	Total Salaries	4.60		$226,667
Fringe Benefits (26 percent)				58,933
	Total Personnel Cost			$285,600
Equipment				
Computer hardware			15,782	
Computer workstations/accessories			3,000	
Locking cabinets/bookshelves			2,000	
Facsimile machine			1,650	
Window air conditioner			650	
	Total Equipment			23,082
Materials and Supplies				
Medical/clinical supplies			5,000	
Office supplies			5,000	
Educational/presentation supplies			2,000	
Books and subscriptions			5,000	
Computer supplies, including software			3,000	
	Total Materials and Supplies			20,000
Operating Expenses				
Xerox			6,000	
Postage			2,000	
Federal Express/courier			1,000	
Telephone			3,000	
Modem installation			250	
Equipment maintenance			3,500	
Slide production/development			2,500	
Printing/advertising			6,500	
Miscellaneous fees and expenses			3,000	
Computer training courses			550	
	Total Operating Expenses			28,300

Travel			
STD Training Center Coordinator - local		$ 480	
In-State trips		5,215	
Out-of-State trips:			
STD training courses	$9,700		
Regional Coordinators	6,180		
STD Update - Arizona	1,125		
HIV Training - Arizona and Utah	5,860		
STD Training Update - Guam	4,250		
Total Out-of-State		27,115	
Total Travel			$32,810
Contractual Services			
UCSF School of Medicine			167,443
Total Direct Charges			$557,235
Indirect Costs (20% of salaries)			45,333
Total Grant Budget			$602,568

Required Match: None

No. of Persons Served: Training in STD and AIDS diagnosis and prevention will be provided to approximately 300 health care professionals in the Western United States and Pacific Islands (Region IX).

Indirect Costs: $45,333 (20 percent of salaries)

Comments: 1. DPH has provided the following information concerning the proposed budget:

a. DPH will assign three full-time and three part-time employees to the project, at an annual cost of $285,600 including fringe benefits.; The employees include the Training Center Coordinator (2825 Senior Health Educator), a Senior Microbiologist to oversee laboratory aspects of the Training Center, a Nurse Practitioner who acts as an instructor in the Center's training activities, and Health Program Coordinator who evaluates the project and assists the Training Center Coordinator in conducting surveys and needs assessments. The budget includes estimated overtime salary costs of $1,000 for support personnel who must ensure that all course materials are prepared and other logistical requirements met prior to the beginning of each course.

b. The $23,082 budget for equipment includes $15,782 for computer hardware to facilitate development of course materials and to manage data and correspondence concerning the Training Center's activities throughout Region IX.

DPH reports that the grantor, the Centers for Disease Control, has specifically requested that the Training Center enhance its capability to manage course data, develop technical materials, and monitor program operations through the use of a computerized system.

The equipment budget also includes $3,000 for computer workstations to accompany the new equipment, $2,000 for additional bookshelves and for locking cabinets to protect videotapes and other items of value which are now unsecured, $1,650 for a facsimile machine to replace one which had been leased and is no longer available, and $650 for an air conditioner for a training room at the Mission Street facility for both ventilation and noise abatement.

c. The budget includes $20,000 for materials and supplies needed to administer the project, operate the Training Center, including laboratories and clinics, prepare workshops and seminars, and obtain books, periodicals, and subscriptions to keep training information up-to-date. This budget item includes $3,000 for computer supplies such as magnetic media and toner, but also including the EXCEL and "Microsoft Word for Windows" computer software programs.

d. The $28,300 budget for operating expenses includes an additional computer-related expenditure for modem installation in the amount of $250. The total of budgeted items in all categories for computer-related expenditures is therefore:

Computer hardware/equipment	$15,782
Workstations/accessories	3,000
Software purchases	3,000
Modem installation	250
Total Computer Budget	$22,032

Ms. Elizabeth Stoller, the Training Center Coordinator, reports that verbal approval has been given by the Electronic Information Processing Steering Committee (EIPSC) to these computer purchases, and that written approval is expected in the very near future. She comments that the approval was sought and obtained in a timely fashion in order to avoid delays in the acquisition of the equipment.

The remainder of the $28,300 budget for operating expenses (net of modem installation) includes $3,500 to maintain equipment including microscopes, a video casette recorder, a slide projector, an overhead projector, and the proposed computer equipment, facsimile machine, and air conditioner. It also includes $2,500 to develop photographic slides used in the training sessions which are frequently updated, $6,500 to print brochures and course materials and to advertise the Training Center's activities. Miscellaneous expenses budgeted at $3,000 will be used to pay approximately $2,000 in licensing fees to the National Commission for Health Education Credentialing and an estimated $1,000 in unanticipated and incidental costs such as sales taxes, visitor parking, translations, etc. The Operating Expense budget category also includes $550 to train clerical staff in the use of software utilized at the Training Center.

e. The proposed grant budget includes travel expense of $32,810, reflecting seven in-State and 15 out-of-State trips throughout Region IX by Training Center staff members.

Included is $480 for local travel by the STD Training Center Coordinator, and $5,215 for seven in-State trips, at approximately $745 per trip, each expected to be 4 days in duration, to meet with State health officials, to present training seminars, to observe the activities of other STD clinics, and to promote the Training Center.

The travel budget includes $27,115 for 5 activities involving out-of-State travel.

The budget for out-of-State trips includes $9,700 for 4 trips of 2 weeks duration by each of 4 health practitioners to attend STD Training courses and updates. The cost per participant is expected to be $2,425; four such trips are therefore expected to cost $9,700.

The budget includes $6,180 for 4 out-of-State trips by the Training Center Coordinator to attend Regional Coordinator's meetings, at an estimated cost of $1,545 per trip.

One Training Center staff member will travel to Arizona to conduct a seminar to address high priority needs, including those of native American health care providers, and including participants from a number of rural communities in Southwestern states, at a cost of $1,125.

Funds are included to allow the Training Center's health educator and evaluation consultant to conduct training in Arizona and Utah in Planning and Evaluating HIV Prevention Programs, at a cost of $1,465 per person, or $2,930 per trip, and $5,860 for two trips.

The travel budget includes $4,250 to permit travel to Guam by the Training Center Coordinator and the Director of STD Control to meet with Ministers of Health from six Pacific Islands to plan STD and HIV training activities for 1993. The trip is expected to cost $2,125 per person, for a total of $4,250.

f. The budget includes $167,443 for contractual services with the UCSF School of Medicine during the one-year grant period. Since the Centers for Disease Control requires the participation in the STD Training Center of a local medical school, and the UCSF School of Medicine is the only medical school in San Francisco, DPH will award the contract on a sole-source basis. DPH reports that its Office of Contracts Management and Compliance has approved a sole-source contract with the UCSF School of Medicine through 1995.

The contractual services budget will fund the provision of UCSF medical personnel as course instructors and trainers, preparation of course syllabi, payment of honoraria and travel expense for outside medical consultants, travel by contractual personnel to participate in Training Center programs elsewhere in Region IX, rental of conference facilities, production of training films using the UCSF in-house film-making unit, and indirect costs of $21,840 (15 percent of direct charges of $145,603).

2. DPH reports that the application deadline for the grant was January 15, 1992, and that the grant proposal has already been submitted. Therefore, the proposed resolution calls for ratification of actions previously taken.

3. Attached is the Summary of Grant Request submitted by DPH.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

tor Centers for Disease Control

ontact Person Linda Long

Address 255 Ferry Paces Rd. NE, Rm. 300

Atlanta, GA 30333

Amount Requested $ 602,568

Term: From 4/1/92 To 3/31/93

Health Commission ______

Division Epidemiology & Disease Control

Section Sexually Transmitted Disease

Contact Person Elizabeth J. Stoller

Telephone (415) 554-9630

Application Deadline 1/15/92

Notification Expected 3/15/92

Board of Supervisors: Finance Committee ______

Full Board ______

I. Item Description: (Circle appropriate words) Request to (apply for) (accept and expend) a (~~new~~) (continuation) (~~allocation~~) (~~augmentation~~) grant in the amount of $ 602,568 from the period of 4/1/92 to 3/31/93 to provide training for clinicians on STDS AND AIDS services.

II. Summary: (Concern/history; need addressed; number + groups served; services and providers)

Fourth year of funding funding provided to offer a total of 500 hours of training on sexually transmitted diseases (STDs) and AIDS to clinicians, laboratories, and community-based educators. Additional funds will be sought this project year to cover salary incre rental of training and conference space, purchase of new computer equipment, honoraria for lecturers from the health professional community outside of the School of Medicine, and development of instructional videotapes.

III. Outcomes/Objectives:

Offer at least 500 total hours of training for at least 200 clinicians; physicians, physician assistants, nurse practitioners, nurses and laboratory personnel, and at least 100 administrators and educators from community-based organizations and public heal agencies.

IV. Effects of Reduction or Termination of These Funds:

Reduction or cessation of funds would leave a substantial gap in training resources for clinicians with regard to the correct diagnosis, treatment and patient management of persons with STDs, including HIV disease. There are no other funding sources for this training.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Rec. Match	Approved by
Grant Amount	344,200	411,820	602,568	190,748		
Personnel	225,148	245,200	285,600	40,400		
Equipment	-0-	5,300	23,082	17,782		
*Contract Svc.	63,500	92,200	167,443	75,243		
Mat. & Supp.	10,600	10,000	20,000	10,000		
Facilities/Space	-0-	-0-	-0-	-0-		
Other	10,052	20,500	28,300	7,800		
Indirect Costs	34,900	38,620	45,333	6,713		
Travel	-0-	-0-	32,810	32,810		
VI. Data Processing (costs included above)	4,000	4,000	14,932	10,932		
VII. Personnel						
F/T CSC	3.0	3.0	3.0	-0-		
P/T CSC	0.5	1.0	1.6	+0.6		
Contractual	2.0	1.25	1.45	+0.2		

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

Emplovees will be retained for the duratio of this five-year grant.

*VIII. Contractual Services: Open Bid ______ Sole Source * ______ ([illegible])

*according to office of Contracts Management and Compliance , sole source approved through 1995 for UCSF School of Medicine

Item 1d - File 146-92-12

Department: Department of Public Health, AIDS Office

Item: Resolution authorizing the Department of Public Health, AIDS Office, to apply for a grant of $70,000, which includes indirect costs of $7,000 based on 10 percent of the total award.

Grant Amount: $70,000

Grant Period: One year, commencing upon receipt of grant funds (expected to be May 1, 1992 to April 30, 1993).

Source of Funds: American Foundation for AIDS Research (AmFAR)

Project: Harm Reduction Strategies Among Needle Exchange Patrons

Description: The Harm Reduction Strategies Among Needle Exchange Patrons Program is intended 1) to test the efficacy of harm reduction strategies delivered through mobile mini-vans to users of injection drugs, including medical screening, HIV testing and counseling, and sexually transmitted disease and tuberculosis screening, as part of a needle exchange program; 2) to evaluate the effects of syringe exchange on rates of HIV infection; and, 3) to promote collaboration between the AIDS Office and community-based organizations for services to intraveneous drug users and to enhance AIDS education and risk-reduction strategies.

Budget: A detailed budget for the expenditure of grant funds has not been submitted, but DPH reports that it will be submitted with a proposed resolution authorizing the acceptance and expenditure of the proposed grant funds.

Required Match: None

No. of Persons Served: An estimated 15 percent of the intraveneous drug users in San Francisco, or approximately 2,250 individuals.

Indirect Costs: $7,000 or 10 percent of the total grant award.

Comments: 1. DPH reports that grant funds would be expended for contractual services, which would be provided by the San Francisco AIDS Foundation. A sole source contract would be requested because the AIDS Foundation is a co-applicant for the grant with the Department of Public Health. Mr. Tim Piland of the AIDS Office reports that the Grant Application Information Form is incorrect in stating that $70,000 would be spent on contractual services. Since 10 percent of the proposed grant, or $7,000, would be provided for indirect costs, the amount available for contractual services would be only $63,000.

2. DPH reports that the application deadline for this grant is March 13, 1992, and therefore requests that the matter be considered by the Board of Supervisors during its meeting of March 9, 1992, at the latest.

3. A Disability Access Checklist for the AIDS Office is on file with the Clerk of the Board. DPH reports that a Disability Access Checklist has not been prepared for the AIDS Foundation, but that this evaluation will be part of a systematic program now being developed by DPH to evaluate disability access at contractors' premises. According to the Ordinance approved in August 1991 by the Board of Supervisors regarding the Disability Access Checklist (Ordinance 301-91), "proposed resolutions submitted without completed Disability Access Checklists will not be considered by the Board of Supervisors." The AIDS Office has complied with this requirement, but it is unclear how this requirement pertains to contractual relationships with community organizations and non-profit agencies, such as the AIDS Foundation.

Recommendation: Approval of the proposed resolution in the absence of a Disability Access Checklist for the AIDS Foundation is a policy matter for the Board of Supervisors.

Item 2 - File 100-91-9

Note: This item was continued from the February 19, 1992 Finance Committee meeting.

This item is a hearing to consider a mid-year budget review, consisting of an assessment of the impact of the current economic recession on the fiscal integrity of City operations and the 1991-92 budget.

On February 5, 1992, the Controller submitted his six-month status report, which projected a $54.055 million deficit for the fiscal year 1991-92 budget. The Controller, the Mayor's Director of Finance and the Budget Analyst also submitted a separate joint report on February 5, 1992 which identified an additional $7.0 million obligation for fiscal year 1991-92, resulting in a total $61.055 million deficit for the current 1991-92 fiscal year. Based on recommended actions to transfer $39.0 million of surplus funds from reserves and other accounts, such actions resulted in a 1991-92 net estimated deficit of $22.055 million.

Subsequently, an error in the Employees Retirement Systems' (ERS) setting of the Police and Fire Departments' retirement contribution rates detected in ERS' actuarial analyses resulted in an overbudgeting of an additional $15.9 million in Retirement Contributions, which reduced the City's projected General Fund deficit to $6.155 million for fiscal year 1991-92. This $6.155 million estimated deficit assumes that the City will receive all of the net estimated $25 million in SB 855 monies and that the entire amount of such monies are applied toward the City's projected 1991-92 deficit. Based on a memo provided to the Finance Committee on February 18, 1992 from the Mayor's Director of Finance, additional total reductions and savings of $589,000 will result in a total net gap of $5.566 million for the current 1991-92 fiscal year.

At the February 19, 1992 Finance Committee meeting, Ms. Adelle Foley of the Mayor's Office reported that the current estimated deficit of $5.566 million will be addressed based on the following five major department reductions:

Police	$1,000,000
Health	2,425,000
DSS	516,000
Fire	625,000
Muni	1,000,000
Total	$5,566,000

Ms. Foley was requested by the Finance Committee to report on the type of reductions or revenue enhancements that will be incurred by each of the five major departments. As of the writing of this report, the identified reductions and revenues by department were not available. According to Ms. Foley, she will provide a memo to the Finance Committee identifying these reductions and revenues for each department, prior to the February 26, 1992 Finance Committee meeting. Furthermore, Ms. Foley will attend the February 26, 1992 Finance Committee meeting to discuss these budgetary impacts and to respond to the Committee's questions regarding this matter.

Item 3 - File 195-92-2

Item: Hearing regarding the issue of renting jail beds for the San Francisco Sheriff's Department from Alameda County, and the financial implications of this matter.

The City and County of San Francisco is under a Federal Court Order to maintain the population of County Jail #1, located at the Hall of Justice, below 426 inmates per day. For each prisoner in County Jail #1 above that number, San Francisco could pay a penalty of $300 per day. According to the Sheriff's Department, the jail population typically exceeds that number three to four months each year. However, this year, the jail populations have been higher than in other years, so that the population of County Jail #1 has exceeded capacity almost every month. According to Mr. Jim Harrigan of the Sheriff's Department, there has been some suggestion that the reason for this increase is due, in part, to increased police patrol in the Tenderloin and Potrero Hill areas of San Francisco. For the six month period of August 1, 1991 to February 1, 1992, the Sheriff reports that the population of County Jail #1 has exceeded its legal capacity 6,696 times, or an average of approximately 24 inmates over the legal capacity per day. The fine to the City for exceeding capacity 6,696 times, at $300 each time, would have been $2,008,800 for that six month period. Fines have not yet been imposed because the City Attorney is appealing the Court Order; a decision will be issued by the Court in March (see below).

The Sheriff's Department has submitted a supplemental appropriation request for $1 million to rent jail beds in Alameda County. The supplemental appropriation would allow the Sheriff to rent either a floor of the North County Jail in downtown Oakland, or a housing unit at Santa Rita in Pleasanton. The Santa Rita facility would be a 45 minute drive from San Francisco. In that regard, the North County Jail in downtown Oakland, at $63.10 per bed per day, is preferable because it is closer to San Francisco and thus travel time and costs would be lower. The Santa Rita facility, at $57 per bed per day, however, has lower per diem costs. Lt. Jan Dempsey of the Sheriff's Department reports the Santa Rita per diem does not include travel costs incurred by the City because of its distance from San Francisco. The Sheriff's Department is currently discussing plans for reducing travel costs, for example, by holding meetings with prisoners at the Hall of Justice rather than sending District Attorneys to the jails. According to Lt. Dempsey, the Sheriff will select the most cost-effective facility once the negotiations are complete.

If $1 million is appropriated shortly for rented jail beds for fiscal year 1991-92, those beds could be occupied beginning April 1, 1992. For the 91 days from April 1, 1992 to the end of the fiscal year, or June 30, 1992, not including travel costs, 17,544 beds, or approximately 193 beds per day for 91 days at $57 per bed per day could be rented at the Santa Rita facility, and 15,878, or approximately 174 beds per day for 91 days at $63.10 per bed per day, could be rented at the North County Jail.

The Controller, the Mayor's Director of Finance and the Budget Analyst issued a joint report concerning this year's 1991-92 anticipated budget shortfall of

$5.566 million. An amount of $1 million was included for the Sheriff's budget to relieve jail overcrowding, with the intent that those funds be used to rent beds in Alameda County.

Lt. Dempsey advises that Alameda County requires a five week start-up period to hire and train staff for the rented facility. Thus, the rented jail beds could not be occupied until five weeks after the Board of Supervisors approves the proposed Supplemental Appropriation Ordinance. If the City enters into an agreement with Alameda County, such an agreement would begin at the earliest possible start-date and continue until June 30, 1993. The supplemental appropriation request has been approved by the Mayor's Office and is to be submitted shortly to the Finance Committee for its consideration.

What Has Been Done to Ameliorate Jail Overcrowding?

In August 1991, the Board of Supervisors approved a Supplemental Appropriation in the amount of $500,000 to fund programs to ameliorate jail overcrowding, as follows: (1) to contract out 862 per diem work furlough beds; (2) to expand the county parole program to supervise 25 additional parolees; and (3) to place additional employees at County Jail #7 to increase its capacity by 60. In addition, Mr. Dennis Aftergut of the City Attorney's Office advises that the Federal Court previously authorized the City to ameliorate jail overcrowding in two ways: (1) to release sentenced inmates at 70 percent of their sentences; (2) with respect to pretrial detainees, under the Court's order, the Sheriff can cite out certain persons accused of misdemeanors who could otherwise not be cited out under State law. According to Mr. Aftergut, the Court-appointed monitor estimates that these provisions reduce the population in all four County jails by a total of 500 per day. Thus, the jail population has been reduced by a total of approximately 585, or 25 additional parolees, 60 additional inmates at County Jail #7, and approximately 500 released early or cited out by the Court's authorization. In addition, 862 contracted work furlough beds are available as needed.

Alternatives to Renting Jail Beds

According to Lt. Dempsey, most jail beds are occupied by those awaiting trial. For example, Lt. Dempsey advises that on a sample day in 1991, 1,500 of the approximately total 2,140 inmates of the County jails were pre-trial felons. Mr. Harrigan advises that the pre-trial population of San Francisco is significantly higher than the national average, or of any other urban area.

Mr. Aftergut advises that an arrested individual may be released before he or she is booked if the Police Department determines that reasonable cause has not been established, in which case the individual would be released before going to jail. Once an individual has been booked, according to Mr. Harrigan, he or she may only be released by order of a judge or if the District Attorney dismisses the case. According to Mr. Aftergut, currently, pre-trial options include release on own recognizance, release on own recognizance with minimum supervision, release on bail, or jail, at the discretion of the courts. In many cases, Mr. Harrigan reports, the judge may not recommend that a pre-trial felon be released on his or her own recognizance, for example, if the pre-trial felon is in violation of

State parole. However, Mr. Harrigan further reports that the percentage of individuals released on their own recognizance before trial has declined every year for the past three years.

Mr. Harrigan advises that a statute was passed a year ago by the State that allows counties to charge cities booking fees. The number of pre-trial felons in jail in some counties, such as Alameda, has decreased since that statute was passed, Mr. Harrigan reports. Some believe that the statute creates an economic disincentive for cities to book felons, an economic disincentive that does not exist in San Francisco because San Francisco is both a city and a county.

The Adult Probation Department is currently discussing a plan to add two probation officers to begin a supervised pre-trial release program. Such a program would free an additional 40-50 pre-trial felons from County Jail under close supervision if the judges choose to make use of the program. According to Ms. Arlene Sauser of the Adult Probation Department, if the City approves such a plan, it could be ready for implementation approximately one month after authorization and funds are received.

Lt. Dempsey advises that many sentenced felons are excluded from work furlough and own recognizance programs by the sentencing judge.

Because the bulk of the inmates are now pre-trial felons, most of whom are currently ineligible for alternative programs, renting out jail beds is the most speedy and effective method of reducing the City's immediate jail overcrowding, Lt. Dempsey advises. Although only County Jail #1 is under the Court's Consent Decree, the San Bruno Jail is also the subject of a lawsuit. Lt. Dempsey reports that the total number of beds in all the County jails equals 1,658, not including work furlough. For example, as noted above, the total population of all the jails on a typical sample day was 2,140, so that the population of the jails exceeded the number of beds by 482. Thus, even if an own recognizance program were implemented that could accommodate 50 participants, such a program should not replace 50 rented beds, but should be in addition to the rented beds.

Legal Status

As noted above, the City and County of San Francisco is under a Federal Court Order to maintain the population of County Jail #1 below 426 inmates per day. On December 17, 1991, the Federal District Court held the City in contempt for violating the population limits in County Jail #1 as ordered by the Court. In connection with that ruling, the District Court authorized the Sheriff to release inmates at 60 percent of their sentence, and, if necessary, at 50 percent, to comply with the population limits, instead of the current 70 percent minimum. Thus, while the Court found the City in contempt for exceeding the population limits of County Jail # 1, it also created remedial provisions to allow the City to honor the population limits in the future.

The City Attorney is appealing the contempt holding, on the basis that the City has done everything reasonable to comply with the population limits, Mr. Aftergut advises. According to Mr. Aftergut, the fact that, in the City's difficult budget year, the Board appropriated $500,000 to ameliorate the jail overcrowding problem is evidence that the City has done everything reasonable to comply with the population limits, and the next appropriation to obtain funds to pay Alameda County would further support that contention. Any attempt to ameliorate the problem will be looked upon favorably by the Court, Mr. Aftergut advises. The case is scheduled on appeal for March 10, 1992.

According to the Sheriff's Department, the Sheriff should be prepared to eliminate jail overcrowding, as soon as possible, particularly in light of pending court decisions. Any delay in taking all possible measures to reduce jail overcrowding that results in the population of County Jail #1 exceeding capacity after the March decision increases the likelihood that the City will be required to pay penalties.

Comment

A second proposed Supplemental Appropriation Ordinance, which would provide over $800,000 in overtime costs for the Sheriff, has been approved by the Mayor's Office. Lt. Dempsey reports that these funds are required because the Sheriff's Department has used all its budgeted overtime to accommodate the increased number of jail inmates. In order to continue to handle the large influx of prisoners, Lt. Dempsey advises, the Sheriff's Department must continue to use overtime hours through the end of the fiscal year. In addition, in April 1991, the City was held in contempt for falling below mandated staffing levels at County Jail No. 7. Part of these overtime funds are needed to maintain these staffing levels. More information will be provided on this portion of the supplemental in the Budget Analyst's report when the pending Supplemental Appropriation Ordinance is heard by the Finance Committee.

Item 4 - File 101-91-49

Departments: Controller

Item: Ordinance amending the Annual Appropriation Ordinance 1991-92 (Ordinance 261-91) by deleting a portion of Section 10-1 relating to replacement of employees; adding Section 10.4 relating to early retiree positions.

Description: In November 1991, the electorate approved Proposition A, which gives employees who retire between February 1, 1992 and March 30, 1992 credit for an additional three years of service and three years of age. According to Proposition A, at least 500 or 50 percent of the vacated, non-mandated positions, whichever is greater, of employees who retire early would be abolished. The estimated savings for Fiscal Year 1992-93 if 500 positions are abolished are $22.5 million. However, the early retirement program will result in an initial cost to the City in Fiscal Year 1991-92 of an estimated $3 million to immediately fill critical positions. It is estimated that the costs for those employees who retire and who are entitled to receive vested sick and vacation pay benefits in lump sum payments will be financed from the existing budgeted salaries and fringe benefits from April 1 to June 30, 1992 for positions vacated by early retirees.

The proposed ordinance would revise the administrative provisions of the Annual Appropriation Ordinance for Fiscal Year 1991-92 to allow the Controller to transfer salary and fringe benefit amounts, appropriated for positions held by employees who retire under Proposition A, to a reserve account to finance the lump sum sick leave and vacation payments. Accumulated vacation and vested sick pay for these early retirees would be paid from this reserve account. If tentative estimates are realized, the aggregate amount of salaries and fringe benefits will cover sick and vacation payments for early retirees.

Some positions, such as department head positions, and other critical positions are mandated by the Charter or are deemed necessary for the effective functioning of a department. If an individual retires from a position that is considered to be a mandated or necessary position, that position can be backfilled, in accordance with the specific provisions cited in Proposition A, if approved by a committee consisting of the Mayor, General Manager, Personnel and the Controller, or their designees, and two labor representatives appointed by the San Francisco Labor Council who would serve as advisory members. If the Committee approves backfilling, the position funds would have to be made available from some source to permit the backfill. A supplemental of $3 million is being prepared to provide funding for these critical positions. The proposed ordinance would suspend the requirement that each position which is backfilled as a result of early retirement under Proposition A, be approved by separate resolutions or ordinances of the Board of Supervisors and, instead, would allow critical positions to be filled upon approval by the Proposition A Committee. The estimated $3 million cost noted above to backfill such critical positions was included in the City's estimated Fiscal Year 1991-92 deficit of $5.566 million.

Comments: 1. The Controller advises that monies transferred to the reserve account would initially be used to pay for lump sum vested sick leave and vacation benefits to early retirees. If any excess funds were available after these amounts were paid, the remainder could be used to fund replacement employees in mandated or necessary positions.

2. According to the Controller, the proposed ordinance would provide a process by which the City can efficiently pay an early retiree's lump sum sick leave and vacation benefits, with no loss of policy oversight or expenditure control.

3. However, the Budget Analyst notes that the proposed ordinance would enable positions to be backfilled upon approval by the Proposition A Committee without subsequent review or approval by the Board of Supervisors.

Recommendation: The proposed ordinance is a policy matter for the Board of Supervisors.

Item 5 - File 97-92-1

Note: This item was referred from the Board of Supervisors Meeting of February 3, 1992 in order to have the legislation include private contractors as well as nonprofit agencies.

1. The proposed ordinance would amend Chapter 10 of the San Francisco Administrative Code by adding a new Section 10.170-6, to require that in order to receive a grant from the City and County of San Francisco the recipient must not owe any taxes, fees or fines to the City and County.

2. Section 10.170 of the Administrative Code would provide the following:

a) In order for a proposed grant recipient to receive grant funding from the City, the recipient must not owe the City any taxes, fees, fines or other overdue payments;

b) Prior to receipt of grant funds, grant recipients must declare under penalty of perjury that they do not owe the City any taxes, fees, fines or other overdue payments;

c) Effective July 1, 1992, each grant awarded or administered by the City must contain a provision in which the grant recipient agrees that in the event the Controller determines that the recipient owed any taxes, fees, fines, or other payments which were overdue at the time the recipient signed the declaration, the City may terminate the grant and offset against grant funds due the recipient in an amount equal to the overdue payments;

d) A grant recipient's failure to comply with any of the provisions of this legislation may result in the denial of grant funding to the recipient.

Comments

1. Under the original proposed ordinance, the Tax Collector was to be responsible for verifying that the grant recipient owes the City any taxes, fees, fines or other overdue payments. Mr. Richard Sullivan of the Tax Collector's Office reported that it would be very difficult, if not impossible, for the Tax Collector to certify to City departments that a given grant recipient does not owe any taxes, fees, fines or other overdue payments because, (1) presuming the grant recipient is a non-profit agency, with the exception of property taxes, and any fines associated with these taxes, the Tax Collector would not have any other records pertaining to revenues owed by such an agency to the City, unless such revenue information had been submitted by the applicable City department to the Tax Collector's Bureau of Delinquent Revenue and (2) City departments are not required to refer information to the Bureau of Delinquent Revenues regarding delinquent revenues unless such revenues exceed $300.

2. Mr. Sullivan advised the Finance Committee that if the Tax Collector had to assume responsibility for certifying that a given non-profit agency did not owe

any taxes, fees, fines or other payments, depending upon the number of the agencies, it would probably entail taking staff time away from other revenue generating activities, which would have an undetermined fiscal impact on the Tax Collector's Office. Mr. Sullivan stated that it was questionable as to whether the amount of the revenues which would be realized from the proposed legislation would offset the costs associated with the Tax Collector in having to confirm that a given non-profit agency does not owe the City any monies.

3. Based on Mr. Sullivan's comments and concerns, the Finance Committee amended the proposed legislation by deleting language from the ordinance requiring that the City agency or department responsible for awarding a grant must confirm from the Tax Collector, prior to awarding of the grant, that City records do not show that the proposed grant recipient owes the City any taxes, fees, fines or other overdue payments.

4. Mr. Sullivan advises that the business tax ordinance requires that City departments must establish that a given private contractor has a valid business tax registration certificate prior to awarding a contract. In order to obtain a certificate, a contractor cannot have any outstanding taxes owed to the City. Mr. Sullivan adds that the Tax Collector would be in a position to certify that a given contractor does not owe any taxes. However, the Tax Collector would not have immediate access to records on fines or other overdue payments.

5. As of the writing of this report, the Budget Analyst had not received any amended legislation pertaining to private contractors being incorporated into this proposed ordinance.

6. The Budget Analyst believes that it is in the best interest of the City to have some mechanism which would preclude the City's grant recipients and private contractors to receive grant and other City funds if those recipients and private contractors owe other monies to the City.

Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 6 - File 97-92-6

Note: This item was continued at the Finance Committee meeting of February 19, 1992.

Department: Police Department

Item: Ordinance amending the Administrative Code by adding Section 10.117-110 thereto, establishing a special fund by the receipt and expenditure of funds and property received in restitution and forfeitures in various criminal profiteering activity cases.

Description: The proposed ordinance would establish a Criminal Profiteering Activity Restitution/Forfeiture Special Fund for the purpose of receiving money or tangible property which reflect court orders for restitution and forfeitures to the City in various criminal profiteering activities which include organized bookmaking, gambling, pimping, pandering and prostitution cases. The proposed ordinance would provide that the appropriation to and expenditure of monies from the Fund would not exceed $70,000 in any one fiscal year. Under the proposed ordinance, the funds would be used to purchase equipment, supplies, contractual services, rental of undercover vehicles, undercover operations, expendable informant gambling and wagering funds, and outside training of members involved in these investigations for Police Department activities relating to various profiteering crimes. Any court-ordered fines which are received by the City in excess of $70,000 would be used for Police Department overtime related to criminal profiteering activity investigations.

The proposed ordinance provides that the balance which is remaining in the Special Fund at the close of any fiscal year shall be carried forward and accumulated for criminal profiteering activity investigations in future fiscal years. The proposed ordinance also provides that the Special Fund would be a non-interest bearing account. Funds may only be expended from the Special Fund with prior written approval by the Chief of Police. Quarterly reports reflecting the revenues and expenditures from this Special Fund shall be submitted to the Mayor and the Board of Supervisors. However, the Police Department would not be required to request prior authorization and to obtain appropriation approval from the Board of Supervisors to expend any of the monies accumulated in the proposed Special Fund.

Comments:

1. According to Captain Tony Ribera of the Police Department, currently all of the court-ordered restitution fines for the Police Department are used for overtime related to criminal profiteering activity investigations. Under the current provision, if the amount of restitution fines exceeds the overtime expense for the criminal profiteering activity investigations, the additional revenues are returned to the General Fund. Capt. Ribera states that the courts require the Police Department to use the fines in areas related to criminal profiteering investigations, but since there is currently no Special Fund to accept the fines, the Police Department is limited to only apply these fines received to overtime hours. Capt. Ribera further states that the proposed ordinance would enable the Police Department more flexibility in using court-ordered fines for investigative procedures rather than only using the court-ordered fines for overtime hours. Officer Tom Strong of the Police Department reports that for FY 1990-91, the Police Department received a total of $83,400 in court-ordered fines from criminal profiteering cases, which the Police Department applied to overtime hours, and in FY 1991-92, as of December 31, 1991, the Department received approximately $36,300.

2. Lieutenant Art Gerrans of the Police Department's Vice Crime Detail estimates that because the amount of court-order fines from criminal profiteering cases which the City has received has been increasing in recent years, the City would likely receive between $150,000 to $200,000 annually in upcoming fiscal years. In addition, Lt. Gerrans estimates that because of the Police Department's assistance in a Federal case, the Police Department will receive approximately $380,000 during FY 1991-92. Under the proposed ordinance, any fines which are received in excess of up to $70,000 appropriated to the proposed Special Fund would be used for Police Department overtime activities related to criminal profiteering cases. If the court-ordered fines received exceed the amount of overtime incurred for criminal profiteering activities, after up to $70,000 is appropriated to the proposed Special Fund, the excess monies would be returned to the General Fund.

3. As noted, all court-ordered fines are currently used for Police Department overtime. Under the proposed ordinance, the Police Department would be authorized to appropriate and expend up to $70,000 of these court-ordered fines from the proposed Special Fund for other activities, rather than using up to $70,000 for Police Department overtime as is currently done. As a result, additional General Fund monies of up to

$70,000 annually would have to be used for Police Department overtime.

4. Lt. Gerrans reports that the Police Department's FY 1991-92 budget includes approximately $450 monthly or $5,400 annually for investigative expenses incurred by the Vice Crime Detail. Lt. Gerrans further reports that the Vice Crime Detail has two undercover vehicles which are now easily recognizable. Therefore, Lt. Gerrans indicates that the proposed Special Fund would enable the Police Department to increase the Department's effectiveness in undercover work, and may actually increase the amount of court-ordered fines received by the City, assuming there are more convictions made and fines ordered.

5. However, according to the Controller's Schedule of Budgeted and Projected Expenditures as of December 31, 1991, the projected net deficit for Police Department salary expenditures, including overtime is approximately $2.67 million in FY 1991-92. As noted, the proposed ordinance would decrease the amount of court-ordered fine revenues available for Police Department overtime, thereby increasing the amount of overtime funded through the General Fund. The latest revised net estimated City budget deficit for 1991-92 is $5.566 million (assuming the allocation of the entire estimated net SB 855 revenues toward the deficit). Therefore, the Budget Analyst recommends the proposed ordinance be disapproved since additional General Fund monies of up to $70,000 annually would have to be used for Police Department overtime.

6. This item was continued from the February 19, 1992 Finance Committee meeting at the request of the Mayor's Office. The Mayor's Office is scheduled to meet with the Police Department on February 25, 1992 and will comment on the proposed ordinance at the Finance Committee meeting of February 26, 1992.

Recommendation: Do not approve the proposed ordinance.

Item 7 - File 192-92-1

This item is a hearing to review the financial aspects of the month-to-month lease between Rapid Shine Auto Detail and the Parking and Traffic Commission.

Background on Rapid Shine Sublease Tenancy at Golden Gateway Garage

1. The auto detailing operation of the Golden Gateway Garage was established in 1987 when Golden Gate Parking Company, the master tenant of the garage recruited a subtenant, Avocet Group Inc., to perform the auto detailing services. The approved minimum monthly rent for the auto detailing services, payable by Avocet to Golden Gate Parking Company, was $1,750, of which 80.674 percent or $1,412 was paid to the City. In addition to the minimum monthly rent, Avocet was also required, under the terms of the sublease, to pay 10 percent of monthly gross revenues over $8,500, of which amount the City was paid 80.674 percent. In January of 1988, the Avocet Group, Inc. sublease was assigned to Steve's Detailing Services because the firm was operating only marginally. Subsequently, Steve's Detailing Services abandoned the premises and defaulted on the lease obligations. In February of 1989, the Parking Authority authorized Golden Gate Parking Company to enter into a license agreement with Rapid Shine, Inc. This license, under a month-to-month basis, served as an interim measure until such time as a formal sublease could be approved. In June of 1989, a formal sublease was approved between Golden Gate Parking Company and Rapid Shine, Inc. Under this sublease, Rapid Shine was required to pay a minimum monthly rental of $1,750 to the Golden Gate Parking Company. The City was entitled to be paid 80.674 percent of the minimum monthly rental.

2. After operating for several months, Rapid Shine, Inc. began experiencing problems paying the minimum monthly rent. Ms. Janice Morgan, the owner of Rapid Shine requested that Golden Gate Parking ask the City's Real Estate Department to reevaluate the minimum monthly rent to determine if it was appropriate given market conditions. In December of 1989, the City's Real Estate Department prepared an analysis of the space occupied by Rapid Shine and determined that it was appropriate to reduce the monthly minimum rent from $1,750 to $885, a reduction of $865 or 49 percent. This reduction, which was made retroactive to February 15, 1989 (the month that Rapid Shine began operation under the license agreement) was approved by the Parking Authority on December 19, 1989. The net result of this action was that Rapid Shine's minimum monthly rental for the term of its tenancy as a sublessee, was $885 instead of $1,750. Following the reduction in rent, the Golden Gate Parking Company reports that Rapid Shine's payment of rent remained inconsistent. According to the Department, monthly payments were made late or in numerous instances the monthly payments were not made at all.

3. On April 9, 1991, the Golden Gate Parking Company notified Ms. Morgan in writing that Rapid Shine owed $6,347 in back rent for the period October, 1990 to April, 1991 (seven months). Subsequently, Mr. Rodney Brown of the Real Estate Department advised the Golden Gate Parking Company that Rapid Shine had found it necessary to replace a broken gate adjacent to its workspace for security purposes and for employee safety. Golden Gate Garage informed the Real Estate Department in writing that they had not authorized Rapid Shine to make such repairs and, according to the Golden Gate Parking Company, under the terms of the sublease the Golden Gate Parking Company had no authority to give rent credits or approval to use rent monies for anything other than rent. In the interim, Ms. Morgan of Rapid Shine notified the Golden Gate Parking Company on June 5, 1991, in writing, that the cost to repair the gate was $4,896. Additionally, Ms. Morgan advised that Rapid Shine had arranged to have the repair work done on a clogged drainage line, at a cost of $1,456, bringing the total cost of repairs to $6,352. Subsequent to Ms. Morgan providing these repair costs, the Real Estate Department determined that the invoice for the drainage line repair was $456 not $1,456, bringing the total cost of these repairs to $5,352.

4. On August 30, 1991, Mr. Harry Quinn of the Real Estate Department notified Ms. Morgan in writing that the lease with the Golden Gate Parking Company was due to expire effective August 31, 1991, and accordingly, the Rapid Shine sublease would also expire. Mr. Quinn advised Ms. Morgan that the City was willing to entertain a month-to-month sublease rental arrangement with Rapid Shine, until the auto detailing area could be competitively bid, providing that Rapid Shine paid all back rents, less the $5,352 in rent credits, then estimated at $4,535, due to the Golden Gate Parking Company within 30-days, and that proof of payment be supplied to the Real Estate Department. Mr. Quinn, advised that if these conditions were not met then Rapid Shine's occupancy would be terminated.

5. In an effort to resolve the issue of the $5,352 cost of repair for the gate and drainage line, the Golden Gate Parking Company submitted a formal request, on September 3, 1991, to the Parking Authority, under the terms of the lease with the City, asking for a rent credit of $5,352 to cover the cost of these repairs. This credit, which was approved by the Parking Authority, was conditioned on the City receiving receipts for the payment of the repair services. The Golden Gate Parking Company subsequently passed this rent credit on to Rapid Shine. In the interim, on September 23, 1991, Mr. Quinn notified Ms. Morgan that the Real Estate Department had been informed by the Golden Gate Parking Company that it had still not received payment for back rents owed (less rent credits). Mr. Quinn advised that, as previously indicated, if back rents were not paid in full, the Real Estate Department could not continue to lease space to Rapid Shine.

6. On September 24, 1991, Ms. Morgan notified the Golden Gate Parking Company in writing that Rapid Shine was not ignoring the monthly billing statements. Ms. Morgan advised the Golden Gate Parking Company that the Golden Gate Parking Company had been informed as to why Rapid Shine had not paid rent, in connection with the $5,352 incurred by Rapid Shine for the gate and drainage line repairs. In addition, Ms. Morgan advised that Rapid Shine was also entitled to additional reimbursements and rent credits for the following:

Loss of business (5 days) due to closure as a result of flooding caused by blocked drainage line	$2,147
Loss of business (2 days) due to electrical work performed in work space	859
Security deposit	885
Missing advertising sign	350
Error in billing	152
Total	$4,393

*The $4,393, plus the $5,352, previously allowed for the gate and drainage line repairs totaled $9,745.

Ms. Morgan stated finally that based on the above calculations, that the total balance owed by Rapid Shine for back rents was $141 and that a check for that amount was enclosed. The Golden Gate Parking Company reports that no such check was enclosed. In the interim, on October 3, 1991, Mr. Quinn notified Ms. Morgan in writing that in the interest of allowing Rapid Shine to continue its occupancy of the auto detailing area, the Real Estate Department was preparing a month-to-month lease agreement for her signature. Mr. Quinn added that this correspondence in no way conceded any points made in Ms. Morgan's letter of September 24, 1991.

7. On October 9, 1991, the Golden Gate Parking Company notified Ms. Morgan of what it considered to be discrepancies in her letter of September 24, 1991. The Golden Gate Parking Company contended that Rapid Shine had closed down for two days not five days during the repair of the drainage line and one day not two days during the electrical work. The Golden Gate Parking Company added that any credit owed in these areas could only be provided by the City after a review of Rapid Shine's books. The Golden Gate Parking Company additionally refuted Rapid Shine's claim to (1) the $350 for the advertising sign, indicating that it was in no way responsible for the missing sign and (2) the $152 for the billing error, which it claimed had been resolved earlier. The Golden Gate Parking Company closed by stating that it was their contention that the amount still due and owed by Rapid Shine for back rent was $3,508 ($2,147 for loss of business-drainage line + $859 for loss of business-electrical work + $350 for sign + $152 for billing error).

Background on Rapid Shine Tenancy After Sublease Expired

1. On November 5, 1991, Mr. Harry Quinn sent copies of the month-to-month lease agreement to Ms. Morgan. Mr. Quinn advised Ms. Morgan that the rent payment for the month of October was delinquent and requested that this payment along with the November rent payment be remitted in order to avoid further penalties.

2. On November 22, 1991, representatives from the Department of Parking and Traffic, and the Department of Real Estate met with Ms. Morgan and her attorney, Mr. David Phillips, to discuss the following: (1) review rental analysis for payment of outstanding balance owed by Rapid Shine to the Golden Gate Parking Company (2) review allocation of utility charges, (3) payment of outstanding rent (October and November) and (3) review of the month-to-month agreement for signature. Mr. Kevin Hagerty of the Department of Parking and Traffic reports the following outcome of this meeting: (1) agreement was reached with Rapid Shine that disputes regarding amounts of back rent owed by Rapid Shine to the Golden Gate Parking Company should be resolved between those two parties (2) Rapid Shine agreed to immediately pay to the City its October and November back rents. It was understood that these rents would be paid under protest, because Rapid Shine maintained that the terms and conditions of the new garage operator lease (effective October 1, 1991) had placed a greater financial obligation on Rapid Shine without a corresponding drop in minimum rent. Such new conditions included Rapid Shine's payment of parking charges, water charges, separate utility charges (under the sublease, utilities were included in the $885/month rent) and maintenance of the garage staff restroom, and (3) Mr. Hagerty agreed to ask the Department of Real Estate to reevaluate Rapid Shine's minimum monthly rent, taking into consideration the above-noted changes in the new garage operator's lease. If it was determined that the current $885 minimum rent was inappropriate, Mr. Hagerty agreed to recommend to the Parking and Traffic Commission that a new recommended minimum rent be approved and that such new rent be retroactive to October 1, 1991.

3. On December 9, 1991, Mr. Hagerty notified Ms. Morgan reminding her of the issues agreed to at the November 22, 1991 meeting. Ms. Hagerty indicated that a letter had been sent to the Real Estate Department requesting that Rapid Shine's minimum rent be reevaluated and that this evaluation was underway. Mr. Hagerty stated that the Department of Real Estate had not received Rapid Shine's rent payments for October and November as promised and that December's rent payment was now due. Mr. Hagerty reminded Ms. Morgan that it was imperative that she sign the month-to-month lease and submit it together with the rent owed for October, 1991, in order for Rapid Shine to continue its occupancy. Mr. Hagerty added if the lease and the back rent were not received by the deadline, he would have to request that the Department of Real Estate take action to terminate Rapid Shine's tenancy.

4. On January 2, 1992, Mr. Hagerty notified Ms. Morgan in writing that the Real Estate Department had completed their evaluation of Rapid Shine's minimum rent of $885 and had determined that the rent should be reduced by $237 to $648 per month, a 27 percent reduction. Mr. Hagerty stated that the Department of Parking and Traffic would use the $648 as the lease for the minimum monthly bid when the Department competitively bid out the lease for the auto detailing area. It should be noted that upon further evaluation by the Real Estate Department, the $648 minimum monthly rental was increased to $850. This increase did not affect Rapid Shine's monthly minimum of $648. However, the $850 was included as the minimum monthly bid amount in the Department's bid package for the auto detailing area. Mr. Hagerty again stated that Rapid Shine must pay the back rent owed and sign the month-to-month lease.

Mr. Hagerty requested that this be done by January 7, 1992 and advised that if the Rapid Shine failed to do so, the Real Estate Department would have to take appropriate action to have Rapid Shine vacate the premises.

5. On January 7, 1992, at a regularly scheduled Parking and Traffic Commission meeting, according to the Commission Meeting Report, Ms. Morgan addressed the Commission on two issues: (1) Rapid Shine's refusal to sign the month-to-month lease and (2) a request that Rapid Shine be awarded a lease to the auto detailing area on a sole source basis. Ms. Morgan stated that the month-to-month lease was unfair and cited the following reasons for not signing the lease: (1) the mandatory parking charges for Rapid Shine patrons under the new garage operator lease, which resulted in Rapid Shine incurring $1,750 in parking charges from October 1, 1991 to December 31, 1991. Ms. Morgan stated that no such charges existed under the previous sublease and that under the sublease two parking cards were provided to Rapid Shine for patrons entering the garage. It should be noted that Mr. Hagerty reported that Golden Gate Parking advised the Department of Parking and Traffic that (1) Rapid Shine had been given only one free parking card and had purchased two additional cards at a cost of $230-$250 each, (2) cleaning costs in the amount of $500, which Rapid Shine incurred for additional office space, which Ms. Morgan stated was supposed to have been cleaned prior to Rapid Shine's acquisition of the space and (3) a rent credit of $2,000 for loss of business in connection with Rapid Shine's closure for a week in connection with electrical work. It should be noted that Ms. Morgan had previously requested rent credit and reimbursement in the amount of $859 for loss of business for two days in connection with this event. According to Ms. Morgan, the actual number of days that Rapid Shine was closed down as a result of this event was four days. However, the Real Estate Department maintains that Rapid Shine experienced a loss of business for a total of two days. The Director of the Parking Authority stated that Department staff had not been given the opportunity to clean the office space area because Rapid Shine took possession of the space without the staff's knowledge. The Director advised that Rapid Shine was not paying additional rent on the space and that no formal month-to-month agreement had been signed for the space occupied by Rapid Shine. Regarding reimbursement for lost income while Rapid Shine was closed, the Director of the Parking Authority stated that there is no provision in any City parking lease which would allow a tenant to recover costs from the City because of loss of business due to closure. Mr. Quinn reported that the rent reduction ($885 to $648) includes the costs for two parking cards to permit Rapid Shine patrons to enter the garage at no cost. The Commission decided to postpone taking any specific action on the rent owed by Rapid Shine until its regularly scheduled meeting on January 21, 1992 in order to permit staff to meet with Commissioner Chin to draft a workable proposal on the matter. The Commission did however vote to approve recommending to the Board of Supervisors that the lease for the auto detailing area be competitively bid, as opposed to being awarded on a sole-source basis to Rapid Shine.

6. The meeting between Commissioner Chin and staff was held and a proposal was agreed upon (Ms. Morgan was notified of this proposal by letter on January 14, 1992), as follows:

Rent due from October 1, 1991 through January 31, 1992 @ $648/month	$2,592
Less: Credit for 4 months @ $200/month	800*
Total rent owed by Rapid Shine	$1,792

*This $800 credit was alloted to Rapid Shine to off-set all credit claims Rapid Shine had made under the sublease as well as under the informal tenancy with the City. In exchange for this credit, Rapid Shine was expected to release the City from all such claims.

Ms. Morgan responded to this proposal in a letter to the Parking and Traffic Commission dated January 16, 1992. Ms. Morgan stated in the letter that while the most recent proposal from the Parking and Traffic Department addressed some of Rapid Shine's concerns, it did not fully compensate for expenditures which had been incurred by Rapid Shine. Ms. Morgan provided the following calculations for the rent credit owed to Rapid Shine:

Rent for four months (October, November, December 1991 and January 1992) at $648/month	$2,592.00
Less parking fees paid for four months	(1,750.00)
Less cleaning costs for office	(500.00)
Less rent credit	(85.65)
Less loss of business during electrical work	(1,108.71)
Total	$(852.36)*

*Based on this calculation by Rapid Shine the Parking and Traffic Department would owe Rapid Shine $852.36.

7. At the Parking and Traffic Commission meeting on January 21, 1992, the Director of the Parking and Traffic Commission reported on the terms of the proposal agreed upon by Commissioner Chin and the Department staff. In addition, he reported that a check (in the amount of $885) submitted by Rapid Shine to the Real Estate Department had been returned for insufficient funds by the bank. According to Ms. Morgan, the check was returned due to an error at the bank. Ms. Morgan requested that Rapid Shine be given rent credit based on her calculations presented in her January 16, 1992 letter, which indicated that the Parking and Traffic Department actually owed Rapid Shine $852.36. After some

discussion on the part of Commission members, Ms. Morgan and staff, the Commission voted to approve the proposal drafted by Commissioner Chin and the Department staff. Commissioner Chin suggested that the total $1,792 in rent owed by Rapid Shine be paid to the Real Estate Department by guaranteed check no later than January 24, 1992. The Chair of the Parking and Traffic Commission asked Ms. Morgan if she were in agreement. Ms. Morgan indicated that she would stand by what was agreed upon but noted that she wanted the Commission to consider the facts as set forth in her letter dated January 16, 1992. The Chair noted for the record that the facts set forth in Ms. Morgan's letter of January 16, 1992 were considered at the January 7, 1992 meeting.

8. On January 22, 1992, Mr. Anthony DeLucchi of the Real Estate Department notified Ms. Morgan that in accordance with the Parking and Traffic's Commission's meeting on January 21, 1992, he was enclosing a month-to-month lease for the auto detailing area at the Golden Gate Garage. Mr. DeLucchi advised that in order to forestall any further action, that Ms. Morgan should sign the lease and return it by January 24, 1992, with a cashier's check in the amount of $1,802 ($1,792 rent due plus $10 for the returned check).

9. On February 7, 1992, Mr. Hagerty of the Department of Parking and Traffic advised Ms. Morgan that he was writing on behalf of Rina Cutler the Director of the Parking and Traffic Department. Mr. Hagerty stated that the Department had not received the back rent due. Mr. Hagerty noted that the amount of back rent owed by Rapid Shine was now $2,450, including $648 for February rent which was now due and payable. Mr. Hagerty advised that unless Rapid Shine submitted a cashier's check in the amount of $2,450 and signed the month-to-month lease by February 10, 1992, it was the Department's intention to start eviction proceedings on February 11, 1992.

Comments

1. As of the writing of this report, Mr. Kevin Hagerty of the Department of Parking and Traffic reports that Rapid Shine has not paid any back rent for the period October 1, 1991 to February, 1992. Mr. Claudine Venegas of the Real Department reports that a 30-day notice of eviction has been prepared by the Department and is awaiting the signature of the Director of the Department of Real Estate.

2. As noted above, Rapid Shine had requested that it be awarded the lease for the auto detailing area on a sole source basis. The Department of Parking and Traffic requested that the Human Rights Commission (HRC) provide the Department with information and guidelines regarding the awarding of the lease on a sole source basis. The Department of Parking and Traffic has historically placed leases out for competitive bid pursuant to Charter Section 7.4. Additionally, Mr. Hagerty advised that the Parking and Traffic Commission was advised by the City Attorney that the lease legally had to be competitively bid. Mr. Edwin Lee of HRC advised the Department of Parking and Traffic that the present MBE/WBE/LBE ordinance does not directly apply to leases and concessions. As such, HRC would have limited oversight in this regard and sole source waivers would not come under HRC jurisdiction. Mr. Lee noted, however, that under the

"Good Faith Efforts" clause of the ordinance, and in keeping with the spirit of and intent of the ordinance, departments should conduct good faith outreach to encourage MBEs/WBEs to compete for available leases. Mr. Lee also stated that HRC had determined that there are competent minority and women-owned firms available to conduct auto detail type services in San Francisco, although there were no certified MBEs/WBEs in this specific service area. Mr. Lee followed up this initial response to the Department of Parking and Traffic by advising the Department that Ms. Morgan of Rapid Shine had emphasized to HRC her desire to continue the lease. Ms. Morgan cited examples of how her firm had assisted disadvantaged women and minorities. Mr. Lee asked that, while legal requirements may dictate the necessity to competitively bid the lease, the Department of Parking and Traffic should take the above into consideration in light of good faith considerations.

3. Mr. Hagerty advises that when the Department made the decision to have a separate lease for the auto detailing area, the Department decided to install separate meters so that the utilities for the auto detailing area could be monitored separately from those of the garage operation and thereby eliminate confusion over the amount of utilities used by each. Ms. Morgan reports that Rapid Shine's utility costs have been minimal since the start-up of operation. Ms. Morgan advises that Rapid Shine's average cost per day for utilities since the meters were installed has been $.50 or $11.00 per month. Based on this cost, Ms. Morgan questioned the cost effectiveness of the Department of Parking and Traffic's decision to install the meters at a cost which exceeded $5,000.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 8 - File 47-92-1

Departments:
Department of Parking and Traffic
Real Estate Department

Item: The proposed ordinance would approve and adopt the Golden Gateway Garage Automobile Detailing legal documents and authorize the Director of Property to issue an Invitation for Bids for a new lease.

Description: The automobile detailing area at the Golden Gateway Garage, located at 250 Clay Street was previously subleased to Rapid Shine Auto Detail by the former garage operator, Golden Gate Parking Company. This sublease expired, upon the termination of Golden Gate Parking's lease with the City, on September 30, 1991. Under the terms of the sublease, Rapid Shine paid Golden Gate Parking Company a monthly rental amount of $885 plus 10 percent of gross revenues over $8,500. Of the $885 minimum monthly rental, approximately 80.674 percent or $714 was paid by Golden Gate Parking Company to the City. The City was also entitled to 80.674 percent of the 10 percent gross revenues over $8,500. The auto detailing area consists of a carwash area of 2,330 square feet plus an office/storage/restroom area of 529 square feet, for a total of 2,859 square feet.

As noted above, the auto detailing area was previously subleased by Golden Gate Parking Company, the operator of the Golden Gateway Garage. The Department of Parking and Traffic reports that when the Golden Gate Parking Company lease expired, the Department made the decision that the automobile detailing area should be established as a separate lease from the garage parking operation, in order that the City could directly administer this lease, instead of the garage operator. Under this new arrangement, additional square footage was added including an office and employee restroom. Additionally, separate meters were installed so that utilities for the auto detailing area could be monitored separately from those of the garage and the auto detailer would be directly responsible only for the actual cost of the utilities used. The Department's decision to establish separate leases was prompted by complaints from Rapid Shine that certain actions taken by the Golden Gate Parking Company with respect to its administering of the sublease, were undermining Rapid Shine's ability to operate effectively.

Under the proposed lease documents, the new lessee of the auto detailing area would be required to pay the City a minimum monthly rental of no less than $850 (bid item) or 7 percent of gross revenues, whichever is greater. The $850 represents a decrease of $35 from the previous minimum monthly rental of $885. Additionally, the previous requirement that the lessee pay 10% of gross revenues over $8,500 has been eliminated. However, the proposed lease includes a provision for 7 percent of the gross revenues, if this monthly amount exceeds the $850 monthly minimum, a provision which is not currently in the existing lease. The Real Estate Department reports that the $850 represents the current fair market rental value for the auto detailing area.

Comment: Rapid Shine, a MBE firm, has requested that it be awarded the proposed lease on a sole source basis. The Department of Parking and Traffic reports that it has always placed leases out for competitive bid pursuant to Charter Section 7.4. Mr. Edwin Lee of the Human Rights Commission (HRC) advises that the present MBE/WBE/LBE ordinance does not directly apply to leases and that sole source waivers would not come under HRC's jurisdiction.

Recommendation: Approve the proposed ordinance.

Item 9 - File 65-92-2

Department:	Real Estate Department
Item:	Ordinance authorizing and approving the sublease of City-owned property at 25 Van Ness Avenue, consisting of a portion of the lower level, to the New Conservatory Children's Theatre Company and School, a non-profit corporation.
Location:	25 Van Ness Avenue, portion of lower level
Sublessee:	The New Conservatory Children's Theatre Company and School (NCT).
No. of Sq. Ft.:	12,793 square feet
Revenue per Month:	Rent would be assessed as follows during the term of the sublease and any subsequent extensions:

Period	Approximate Rent/ Sq. Ft./Mo.	Monthly Rent
Nov. 1, 1991 - May 14, 1992	$.80	$10,234.40
May 15, 1992 - Nov. 14, 1992	.90	11,513.70
Nov. 15, 1992 - May 14, 1993	1.00	12,793.00
May 15, 1993 - May 14, 1994	1.00	12,793.00
May 15, 1994 - May 14, 1995	1.05	13,432.65
May 15, 1995 - May 14, 1996	1.10	14,104.28
May 15, 1996 - May 14, 1997	1.16	14,809.50
May 15, 1997 - May 14, 1998	1.22	15,549.97

This schedule represents an 18.75% rent increase between May 15, 1992 and May 14, 1993 (six months at $.90/sq. ft. and six months at $1.00/sq. ft., an average of $.95/sq. ft./mo. for the year, is an 18.75% increase over the monthly rate of $.80/sq. ft. between November 1991 and May 14, 1992). There is no increase between May 1993 and May 1994, while each annual increase after May 1994 represents a 5% rate increase over the year before. Rental rates are based on the fixed increase of 5 percent per year, rather than a rate per square foot.

Term of Sublease: The lease would take effect retroactively to November 1, 1991 for a term of 18 months and 14 days (through May 14, 1993). NCT would have an option to extend the term for an additional five year period.

Purpose of Sublease: The premises would be used as a professional theatre arts school and performing arts company by NCT, a non-profit corporation, whose students are 4-19 years of age.

Comments: 1. According to the Real Estate Department, the building was purchased by the City and County of San Francisco in October 1991, and NCT currently occupies the premises under a use agreement with the City. According to Mr. Phil Aissen of the Real Estate Department, the City purchased the building under a Certificate of Participation with Security Pacific National Bank, and the Bank presently holds title to the building in trust pending the City's repayment of funds used to finance the purchase. Thus, the City, as lessee from Security Pacific National Bank, will sublease the premises to NCT.

2. Mr. Aissen reports that the revenues under the lease would be used to repay principal and interest to Security Pacific National Bank, and to defray the building's operating expenses. On an annual basis, the City would receive an average of $157,846 each year for eight years, if the five-year renewal option is exercised by NCT.

3. Mr. Aissen reports that the rental rates reflect approximate fair market value for the space. He notes that the space is located in the basement, already includes theatre facilities, and is not suitable for office space or a number of other alternative uses. Mr. Aissen reports that it is more difficult to determine fair market value for theatre facilities of this nature than other types of facilities, but he considers the rate competitive and the terms of the lease to be in the best interests of the City.

4. Mr. Aissen reports that NCT's occupancy commenced on November 1, 1991, and thus the proposed sublease is retroactive to that date. Therefore, the proposed ordinance should be amended to apply retroactively to November 1, 1991.

5. The proposed sublease provides that the City shall provide reasonable amounts of electricity, water, and scavenger services. Mr. Aissen reports that the proposed sublease provides that the City shall have a right of sole discretion to determine the reasonable use of these services.

Recommendation: Amend the proposed ordinance to apply retroactively to November 1, 1991 and approve the proposed ordinance, as amended.

Items 10 and 11 - Files 65-92-1 and 65-92-3

Department: Real Estate Department
San Francisco General Hospital

Item: Ordinance amending the lease of portions of the basement and first floor of Building 20 at San Francisco General Hospital (File 65-92-3).

Ordinance authorizing and approving a new lease of a portion of the first floor of Building 20 at SFGH to the Regents of the University of California (File 65-92-1).

Location: Building 20, San Francisco General Hospital (SFGH)

Lessee: Regents of the University of California
University of California San Francisco (UCSF)

Number of Sq. Ft.: The proposed lease amendment (File No. 65-92-3) would reduce the number of square feet governed by the existing lease from 14,726 to 7,086, a reduction of a 7,640 square feet. Of the deleted space, 7,019 square feet would be relet under a new lease to UCSF for an alternative use (File No. 65-92-1).

Revenue Per Month: Rental payments payable by UCSF to the City under the existing lease (File 65-92-3) are twelve dollars ($12.00) per year. If the proposed lease amendment is adopted, UCSF would continue to pay $12.00 per year for the remaining 7,086 square feet which would still be governed by the lease.

UCSF currently reimburses the City at a rate of $.59 per square foot per month for utilities and services. By deleting 7,640 square feet from the existing lease as is being proposed (File 65-92-3), these revenues would decrease by $4,507.60 per month, or $54,091 per year. This amount consists of utility and service reimbursements of $34,642 for 4,893 square feet which would be converted for use as a psychiatric research space and a copy center, $15,052 for 2,126 square feet to be converted for use as UCSF administrative offices, and $4,397 for 621 square feet located in the basement, which would be deleted under the proposed lease amendment but not included in the proposed new lease.

Under the proposed new lease (65-92-1), the City would receive rent of $.48 per square foot per month and utility and service reimbursements of $.59 per square foot per month in consideration for the lease of 4,893 square feet (yielding rent of $28,184 annually and reimbursements of $34,642 annually). The City would receive a flat rate of $.516 per square foot per month for the remaining 2,126 square feet of the total of 7,019 square feet (yielding revenue of $13,164 annually). Total annual revenues under the proposed new lease using these rates would be $75,990. However, the proposed new lease stipulates an annual rent of $76,000. These changes in annual revenues are summarized below:

Area	Effect of Proposed Lease Amendment (File 65-92-3)	Effect of Proposed Lease (File 65-92-1)	Net Change
First Floor (7019 sq. ft.)			
Rent - 4893 sq. ft.	0	$28,184	$28,184
Util./Svcs. - 4893 sq. ft.	($34,642)	34,642	0
Rent/Util./Svcs. - 2126 sq. ft.	(15,052)	13,164	(1,888)
Basement (621 sq. ft.)			
Rent	0	0	0
Util./Svcs.	(4,397)	0	(4,397)
	($54,091)	$76,000*	$21,909*

* Rounded

The space in the basement would not be included in the new lease and would revert to use by SFGH.

The proposed new lease further stipulates that UCSF will advance payment to the City in the amount of $380,000 in consideration for the first five years of occupancy ($76,000 x 5 years) within 30 days of the commencement of the lease.

Five years after the commencement date, the rental rate would be adjusted to be the same as the rate then in effect for similar premises at SFGH, and on July 1, 1997 the rental rate would be adjusted based on an independent appraisal to reflect fair market value at that time. Beginning July 1, 1998, the rental rate would be adjusted annually based on the rate established July 1, 1997 and based on the Cost of Living Index.

Beginning five years after the lease takes effect, UCSF would also reimburse the City for its share of utilities and services based on the reimbursement rate then in effect, and based on all of the occupied space at that time.

Term of Lease: The current lease, which would be amended to release a portion of Building 20 for an alternative use, will remain in effect until June 30, 1998; this date is unaffected by the proposed amendment (File 65-92-3). The proposed new lease would take effect if and when the ordinance is authorized and approved by the Board of Supervisors and signed by the Mayor, and would remain in effect for ten years (File 65-92-1).

Purpose of Lease: The areas which would be deleted from the existing lease under the proposed lease amendment are part of the University's Dental Clinic. Under the proposed new lease, of the 7,019 square feet to be leased, 4,893 square feet would be used to support psychiatric research and to house a copy center, and 2,126 square feet would be used for UCSF administrative offices.

Comments: 1. Mr. Robert Haslam of the Real Estate Department reports that a rental rate of $.48 per square foot per month is the current fair market rent for the premises. According to Mr. Haslam, the actual cost of utilities and services is determined annually, and the resulting rate per square foot per month is imposed as the reimbursement rate.

2. As noted above, UCSF currently pays rent of $12.00 per year for the areas of Building 20 occupied by the Dental Clinic, and this lease is effective through June 30, 1998. Ms. Kathy Murphy of SFGH states that the reason the original lease was approved, given the low rent imposed, is unknown to current administrators at the Hospital. She conjectures that in 1978, when the relationship between SFGH and UCSF was only beginning to develop, and when space at SFGH was more readily available (a new Main Hospital building had just been opened), the agreement to accept $12.00 annual rent over 20 years must have somehow seemed appropriate.

3. The arrangement whereby UCSF will advance to the City a single payment of five years rent in the amount of $380,000 at the commencement of the proposed new lease has been reached in order to provide funds to SFGH to relocate its Nuclear Medicine Program facility. In effect, SFGH will be advanced a future stream of income in order to finance this activity.

The Department of Real Estate reports that UCSF has agreed to the advance payment because it considers relocation of the Nuclear Medicine Program to be a life safety issue.

Ms. Murphy explains that the Nuclear Medicine Program, which uses radioactive materials in the performance of diagnostic tests, is currently housed in a vintage-1920s building at SFGH which is not seismically strengthened. Ms. Murphy reports that SFGH has been cited twice by State hospital accreditors for unsafe features of the current location, and that another State hospital accreditation survey is expected in October 1992. Ms. Murphy states that if corrective action is not taken before that time, SFGH will endanger its hospital accreditation and be at risk of losing eligibility for reimbursements under Medicare.

Ms. Murphy further states that plans to relocate the Nuclear Medicine Program facility have been recommended by the City's Capital Improvements Advisory Committee (CIAC), but that sufficient funds have not been appropriated to date to relocate the Nuclear Medicine Program. She indicates that the $380,000 advanced under the terms of the proposed new lease would enable SFGH to meet the expected $1.6 million cost of relocating the Nuclear Medicine Program. Total funding for the project would be as follows:

Source	Amount
1991-92 SFGH General Fund budget	$571,000
State Capital Improvements Projects Funds	518,000
SFGH CIP Reserve Funds	150,000
UCSF Proposed Advance Rental Payment	380,000
Total	$1,619,000

4. The Department of Real Estate and SFGH report that 2,126 square feet of the premises would incur no charges under the proposed new lease other than the $.516/sq. ft./mo. proposed as a flat rate for both rent and utilities/services. This is lower than the $.59/sq. ft./mo. currently assessed for utilities and services.

Mr. Haslam explains that the Department of Real Estate, SFGH, and UCSF agreed on the advance payment of $380,000 for the entire space, in order to provide funds to relocate the Nuclear Medicine Program facility. They then deducted the charges for 4,893 square feet of space for psychiatric research and a copy center, which for five years would be rented at the current market rate ($.48/sq.ft./mo.) and receive full utility and service reimbursements at the current rate ($.59/sq.ft./mo.). Based on these calculations, the rate for the remaining 2,126 feet of space was determined on the basis of the remaining payment needed to complete total payment of $380,000. The initial calculations for the first five years of the lease are summarized as follows:

Total Rental Contract	$380,000
Rent on 4,893 sq.ft ($.48/sq.ft./mo.)	(140,918)
Util/Svcs. on 4,893 sq. ft ($.59/sq.ft./mo.)	(173,212)
Balance Remaining	$ 65,870

This $65,870 balance, over the five year (60 month) period of the advance payment, represented a remaining balance of $1,097.83 per month ($65,870/60 months). The monthly rental rate for the remaining 2,126 square feet was therefore established as $.516/sq.ft./mo. ($1,097.83/month divided by 2,126 square feet is $.516/sq.ft./ month).

The agreement to impose this reduced flat rate was reached, according to Mr. Haslam and Ms. Murphy, because the 2,126 square feet will be used to house UCSF administrative offices, including the Dean's Office, the UCSF risk manager, the facilities planner who coordinates joint projects of UCSF and SFGH, and other administrators who, according to Ms. Murphy, make possible the collaborative relationship between SFGH and UCSF. SFGH, UCSF, and the Department of Real Estate have agreed that the reduced flat rate of $.516/sq. ft./mo. is appropriate for this area, according to Ms. Murphy and Mr. Haslam, because it mutually benefits the University and the Hospital in this use.

5. Mr. Haslam reports that annual rent increases are precluded by the agreement with UCSF to pay $380,000 within 30 days of the commencement of the lease. However, the exclusion of annual rent increases is offset by the agreement of UCSF to advance future rent payments of $380,000 at this time. Ordinarily, funds paid in advance of an underlying economic transaction must be discounted; the amount of the payment is reduced to reflect the additional value to the recipient of obtaining and using the funds sooner than otherwise possible.

Mr. Haslam reports that the expected rent increases over five years and the discount of future rent payments paid in advance were balanced against one another, and an agreement was reached for advance payment of $380,000.

However, the Budget Analyst notes that the agreement is not based on the full market value of the premises. To evaluate the appropriateness of receiving only $380,000 in advance, rather than the full market price over five years, the attached chart compares the present value of a stream of monthly payments at full market rates to the advance payment of $380,000, using an interest rate of 4 percent to reflect the real growth of either investment over five years. (For example, if the interest rate imposed is 7 percent, and the inflation rate, measured by the CPI, is 3 percent, the real interest rate is 4 percent.)

The present value of the stream of monthly payments is the amount which, received today, would generate the same revenue over five years as the monthly payments themselves. This present value can therefore be compared directly with the advance payment of $380,000.

The present value calculations reflect that the stream of monthly income is more valuable than the lump sum payment at this interest rate. At a 4 percent real interest rate, the monthly payments are worth $407,804, today; compared to the advanced payment of $380,000, the foregone revenue to the City is therefore $27,804.

This analysis excludes from consideration the benefit to SFGH derived from the UCSF administrative offices which, as noted above, underlies the agreement to accept a reduced rental rate rather than full market rent and reimbursement charges on 2,126 square feet of the premises.

If the benefit to SFGH from the UCSF administrative offices, together with the advantage of receiving an advanced payment of $380,000 are worth at least $27,804, the rental discount is probably appropriate. This is an informal approximation of the amount which is foregone by accepting the advanced payment of $380,000 rather than full market rent and reimbursement rates on the total space which would be leased. The foregone revenue to the City should be balanced against the benefit of receiving sufficient funds to relocate the Nuclear Medicine Program facilities.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

VALUATIONS OF ALTERNATIVE PAYMENT PLANS

FAIR MARKET VALUE	Rate/Ft	Payment/month	Real int/ year (i)*	Months	Present Value of income stream	Comments
7019 Sq. Ft	1.07	7,510.33	0.04	60	407,804	Value today of a stream of income of $7,510.33/month over 5 years, given 4 percent real rate of return
PROPOSED NEW LEASE					Present value of	
Advance payment		Advance Payment			lump sum payment	
of $380,000		380,000			380,000	
					DIFFERENCE	
ADDITIONAL VALUE OF MONTHLY PAYMENTS AT MARKET RATE COMPARED TO ADVANCE PAYMENT OF $380,000					27,804	

*real interest = nominal rate less CPI
rate shown chosen for illustration only

Item 12 - File 172-92-3

Department:	Department of Social Services (DSS)
Item:	Resolution authorizing the Department of Social Services to enter into a contract between the City and County of San Francisco and the San Francisco Child Abuse Council, Inc., a non-profit organization for the provision of child abuse and neglect prevention services via public awareness and education to professional and community organizations.
Amount:	$50,000
Source of Funds:	Children's Trust Fund (Birth Certificate Fees - $4.00 from each $12.00 Birth Certificate Fee is credited to this fund)
Contract Period:	March 1, 1992 through February 28, 1993
Description:	The proposed legislation would authorize the continuation of a contract between the City and County of San Francisco and the San Francisco Child Abuse Council, Inc. Under the proposed contract, the San Francisco Child Abuse Council, Inc. would provide child abuse and neglect prevention services through public awareness and educational services to professional and community organizations. Specifically, program components would include (1) a forum for inter-agency cooperation and coordination in the prevention, detection, treatment and legal processing of child abuse cases, in order to identify gaps in service delivery and provide methodologies to make necessary changes in these areas, (2) a public awareness campaign, which would include public service announcements on television and radio, informational posters, brochures, and educational billboards, (3) facilitating training of professionals in the detection, treatment and prevention of child abuse and neglect, and (4) serving as an advocate to improve program services to families and children who are victims of abuse.

Under the proposed contract, the DSS would pay the San Francisco Child Abuse Council for a portion of their total operating costs of $195,800, based on a line item budget, as detailed below:

Personnel		
Salaries	$32,500	
Fringe Benefits (15.5%)	5,050	
Subtotal		$37,550

Operating Expenses		
Office Expenses	$ 600	
Telephone	900	
Mileage	600	
Insurance	325	
Bookkeeping Audit	940	
Equipment Purchase/Rental	600	
Booklets, Printing & Publicity	8,485	
Subtotal		$12,450
Total		$50,000

Comments:

1. The DSS reports that the total balance in the Children's Trust Fund as of January 31, 1992 is $267,257.

2. The DSS advises that the San Francisco Child Abuse Council, Inc. contract amount for September 1, 1991 through February 28, 1992 (6 months) totaled $19,850, or $39,700 on an annualized basis. The proposed $50,000 annual contract therefore reflects an increase of $10,300 or 26 percent more than the existing contract. The DSS reports that the Department had previously contracted with five community based agencies for the prevention of child abuse and neglect services, but due to recent reduced funding in the Children's Trust Fund, the Department decided to contract with only two community based agencies in 1992-93 (i.e., Child Abuse Council, Inc. and Family Service Agency) in order to provide sufficient funding for these two agencies to be able to deliver substantive services.

3. As noted above, the proposed contract would commence March 1, 1992. Since this item would not be heard by the Board of Supervisors prior to March 2, 1992, the proposed legislation should be amended to authorize the DSS to enter into this contract agreement retroactively.

Recommendation: Amend the proposed resolution to authorize the DSS to enter into the proposed contract with San Francisco Child Abuse Council, Inc. retroactively and approve the resolution as amended.

Item 13 - File 172-92-4

Department:	Department of Social Services (DSS)
Item:	Resolution authorizing the Department of Social Services to enter into a contract between the City and County of San Francisco and the Family Service Agency of San Francisco, a non-profit organization for the provision of in-home and out-of-home parenting, training and education to families with children at risk of child abuse and neglect.
Amount:	$100,000
Source of Funds:	Children's Trust Fund (Birth Certificate Fees - $4.00 from each $12.00 Birth Certificate Fee is credited to this Fund)
Contract Period:	March 1, 1992 through February 28, 1993

Description: The proposed legislation would authorize the continuation of a contract between the City and the Family Service Agency of San Francisco. Under the proposed contract, the Family Service Agency would provide comprehensive parenting skills training to parents who reside in San Francisco, who are not currently active with the child welfare system but who are at risk for having their children placed outside of the home due to abuse and/or neglect. Two categories of services would be provided: (1) out-of-home parent education groups and (2) individualized in-home services. The overall program focus would be aimed towards parents who are experiencing difficulties in parenting and who have infants and children up to five years of age.

Under the proposed contract, DSS would pay the Family Service Agency of San Francisco for a portion of their total operating costs of $6,963,824 based on a line item budget, as detailed below:

Personnel		
Salaries	$22,300	
Fringe Benefits (13.5%)	3,012	
Subtotal		$25,312
Operating Expenses		
Telephone	$ 103	
Insurance	450	
Subcontracts	62,945	
Administrative Overhead	11,190	
Subtotal		74,688
Total		$100,000

Comments:

1. The DSS reports that the total balance in the Children's Trust Fund as of January 31, 1992 is $267,257.

2. The DSS advises that the Family Service Agency contract amount for September 1, 1991 to February 28, 1992 (6 months) totaled $18,574, or $37,148 on an annualized basis. The proposed $100,000 annual contract therefore reflects an increase of $62,852 or 169 percent increase. The DSS reports that the Department had previously contracted with five community based agencies for the prevention of child abuse and neglect services, but due to recent reduced funding in the Children's Trust Fund, the Department decided to contract with only two community based agencies in 1992-93 (i.e., Family Service Agency and Child Abuse Council, Inc.) in order to provide additional funding for these two agencies to be able to deliver substantive services.

3. As noted above, the proposed contract would commence March 1, 1992. Since this item would not be heard by the Board of Supervisors prior to March 2, 1992, the proposed legislation should be amended to authorize the DSS to enter into this contract agreement retroactively.

Recommendation: Amend the proposed resolution to authorize the DSS to enter into the proposed contract with the Family Service Agency retroactively and approve the resolution as amended.

Item 14 - File 51-91-3

The proposed item transmits the claims of various City employees for reimbursement for personal property damaged and/or stolen in the line of duty. The attached report lists the Controller's recommended reimbursements of 18 warrants to 17 City employees, at a total cost of $7,325.13.

Section 10.25-1 of the San Francisco Administrative Code authorizes the Controller to provide reimbursement to City employees to recover part or all of the cost of replacing or repairing equipment or property which has been damaged or destroyed in the line of duty without the fault of the City employees. The Controller recommends reimbursement after reviewing the claim submitted to the Controller, and after reviewing Department head's certification to the Controller that the damage occurred in the line of duty and that the amount certified for payment is fair and reasonable.

According to the proposed resolution, the Controller has recommended that the following claims be reimbursed:

Employee	Dept.	Amount	Nature of Loss
A. Goldberg	SFGH	$425.45	Stolen medical equipment
K. Hansew	SFGH	421.00	Stolen medical equipment
E. Kwok	SFGH	200.00	Property damage by patient
R. Mayho	SFGH	50.00	Property damage by patient
K. McClurg	SFGH	35.40	Property damage by patient
R. Carabez	SFGH	120.00	Damage to auto
R. Carabez	SFGH	686.33	Damage to auto
W. Glasgow	MUNI	1,293.42	Stolen tool box
C. Carrillo	MUNI	1,196.13	Auto vandalized
A. Sharp	Rec/Park	89.95	Broken eyeglasses/200 hazard
R. Menasche	DSS	120.00	Damage to auto
V. Walker	Juv. Hall	62.00	Damage to clothing
M. Millson-Wu	Public Def.	1,569.48	Damage to auto
B. Gutowski	Controller	154.95	Stolen eyeglasses
J. Johnston	Controller	44.00	Stolen property
M. Starkweather	Human Rts.	652.02	Damage to auto
M. Jones	Sheriff	45.00	Damage to clothing
K. Gillet	Sup. Ct.	160.00	Stolen property
Total Claims		$7,325.13	

Comments

1. The Controller's Office has certified that funds are available for these employee reimbursements. The source of funds would be Claims and Judgments, General Fund.

Recommendation

Prepare in and report out of Committee a resolution approving the requested reimbursements in the amount of $7,325.13.

Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Kent Sims
Adelle Foley
Ted Lakey

Attachment
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Date: DECEMBER 3, 1991

REIMBURSEMENT FOR DAMAGED OR STOLEN PERSONAL PROPERTY OF CITY EMPLOYEES

Department Claimant	Amount Claimed	Amount Recommended	Recommendation
Public Health - SFGH			
Arthur Flynn	$395.94	0.00	Deny. Only glasses are job related. Contributory negligence.
Annelise Goldberg	425.45	$425.45	Approve.
Kathy M. Hansen	421.00	421.00	Approve.
Ena Kwok	200.00	200.00	Approve.
Ronald Mayho	50.00	50.00	Approve.
Kennie McClurg	35.40	35.40	Approve.
Public Health - Laguna Honda			
Dessie Smith	107.00	0.00	Deny. Contributory negligence.
Public Health - Central Office			
Rebecca Carabez	120.00 686.33	120.00 686.33	Approve. Car required for work.
Municipal Railway			
William W. Glasgow	1,293.42	1,293.42	Approve.
Carlos E. Carrillo	1,300.00	1,196.13	Appears to be job related, no evidence auto is required. Funds available if job related loss.
Recreation and Park			
Anthony V. Sharp	89.95	89.95	Approve.
Manuel L. Rivera	79.00	0.00	Deny. Contributory negligence. Safety equipment was available but not used.
Dept. of Social Services			
Reina Menasche	120.00	120.00	Approve. Car required for work.
City Attorney			
Delia N. Schletter	194.08	0.00	Deny, not required for performance of job. City computer is available for use.

File No. 51-91-3

Date: DECEMBER 3, 1991

REIMBURSEMENT FOR DAMAGED OR STOLEN PERSONAL PROPERTY OF CITY EMPLOYEES

Department Claimant	Amount Claimed	Amount Recommended	Recommendation
Deborah Butler	327.00	0.00	Deny - no evidence of city liablity, auto not required by job.
Juvenile Hall			
Victoria Walker	62.00	62.00	Approve.
Public Defender			
Margaret Millson-Wu negligence..	1,569.48	1,569.48	Approve, Cit
Controller			
Bob Gutowski	154.95	154.95	Approve, necessar to perform job.
Judy Johnston	44.00	44.00	Approve.
Human Rights Commission			
Mary Gin Starkweather	652.02	652.02	Approve, no eviden of city liabilit Receives mila reimbursement a auto is required f the performance duties.

Attachment
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File No. 51-91-3

Date: DECEMBER 3, 1991

REIMBURSEMENT FOR DAMAGED OR STOLEN PERSONAL PROPERTY OF CITY EMPLOYEES

Department Claimant	Amount Claimed	Amount Recommended	Recommendation
Sheriff			
Martin Jones	45.00	45.00	Approve, city created hazard.
Superior Court			
Kery Gillet	160.00	160.00	Approve.
Water Dept.			
William Gunn*	720.00	0.00	Deny. Stolen personal property not necessary for the performance of job.
Warren Lee*	300.00	0.00	Deny, peresonal property not necessary for the performance of job.
TOTAL	$9,551.02	$7,324.13**	

*Contingent upon department head's signature of approval of claim.

**$7,325.13

EMPLCLM.REM1